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He'll Sign Bank Notes

When the new currency issue of the Bank of Canada appears, it will bear the signature of James E. Coyne, 39, new deputy governor. The Winnipeg-born Rhodes scholar joined the bank's research staff in 1938; served in the RCAF 1942-44.

THE NATION'S BUSINESS

A New Approach To Old Problem

In the last analysis, the federal government decision to loan $10 millions for Maritime coal mine modernization is a device for maintaining employment and the economic welfare of an area.

More than 100,000 people are dependent, directly and indirectly, on Nova Scotia coal production. Costs in those mines are now out of line. Nothing but drastic modernization, it is claimed, can keep them in operation.

So Ottawa puts up a low-interest 15-year loan. It is the first time government has offered large-scale aid in just this way.

Prior forms of government aid include special loans to the CPR and loans through the Industrial Development Bank. There is the gold mines assistance scheme. The coal industry has long had special aid through rail rate subventions. In 1945 Acadia Coal got a $750,000 loan to help it mechanize. There have been special depreciation arrangements. And, of course, the tariff has long been used to serve the interest of certain areas and certain industries.

But this coal deal of which $7½ million goes to Dominion Coal is a new device whereby the Government "aims" its aid. Thereby it is enabled to discriminate in favor of particular companies and particular communities.

Undoubtedly the present decision recognized that the economy of the Maritime provinces has long enjoyed less than glowing health. Certainly in the Government's mind at this time is the current gloom overhanging important Maritime industries such as shipbuilding, apples, pit props and fish.

What Were Alternatives?

What were alternatives to this new coal deal?

Dominion Coal declares that it couldn't get anything close to the required money from private investors at any reasonable rate of interest. It is difficult to argue with that contention.

With its cost picture becoming increasingly unfavorable, the future of Dominion Coal seemed to be slow decline plus continued if not increased drain on the public treasury for subventions.

Doctrinaire exponents of classical economics would probably say that in such circumstances, Dominion Coal should have been allowed to wallow in its own trough. If and when it eventually foundered, the people dependent on its operations would eventually get other jobs and migrate to other parts of the country.

But at a time when all political parties are committed to a policy of maintaining employment (and of supporting the unemployed) such a prescription for the Maritime coal mine areas is obviously of no practical interest.

Certainly the present arrangement is much better than letting this situation worsen, in which case the very real likelihood is that the Government would end up taking over and trying to operate these mines.

But if the Maritime coal deal seems, on the evidence produced to date, to be the best of alternatives, Canadian Government and people should be wary indeed about further uses of this device.

This "discriminatory direct aid" could be dangerous if widely extended or if recklessly applied. If Ottawa starts giving hypodermics to all sorts of dead horses, it will be bad news for the taxpayer. The present injection seems justified because the horse isn't yet dead and promises to get better.

* * *

Canada Has Been Patient

Six months ago this week a new air agreement was signed between the United States and Canada, but the main concession granted this country then is still withheld. This is a share in the important Montreal-New York run.

In the agreement of last June Canada made concessions every bit as important as those made by the United States. Indeed the deal was hailed as eminently fair by both parties.

Major concession granted by Canada was a confirmation of the pre-Confederation rights enjoyed by American lines in Newfoundland. Without these American air traffic over the North Atlantic would be crippled.

But even had Canada made no concession it was inevitable that the American monopoly of the Montreal-New York run would have been challenged. That was frankly admitted following the negotiations last June by the head of the U. S. Civil Aeronautics Board, Joseph J. O'Connell, Jr., when he said:

> "Even without the Gander reckoning, I think that sooner or later we would have had to do something in a country-to-country agreement. These are the two largest cities of our two countries and we would have had to recognize Canada's right to reciprocity. We've been talking about it for years."

Canadian air authorities have been patient indeed over the delaying tactics used to block our rights in this matter. Ottawa has continued to hope that the United States Government would, of course, stand behind the ruling of its own official Board and insist that the concession granted Canada should be delivered with reasonable promptness. If that hope fails and Canadian authorities are forced to use drastic measures then the "blockers" will have no one but themselves to blame.

This affair does not augur well for the new era in closer international relations for the Western world. Surely two countries which have set such a shining example in good neighborliness should be able to settle this family matter quickly and satisfactorily.

U. K. Horsetrading On Food Contracts?

Fate of Canada's Agricultural Exports Hangs in Balance as U.K. Haggles Over 1950 Program—Who Will Absorb Our Bacon Surplus?

OTTAWA (Staff) — With Canadian farmers now marketing their hogs at a rate of 30% above last year, the explosive issues of lifting the United States embargo and an alternative United Kingdom market in 1950, still hung fire this week.

Fate of Canada's 1950 egg surplus also hangs in the balance pending declaration of U. K. and Canadian policy at the Federal-Provincial farm conference which starts Dec. 12.

The British still contend they will buy no eggs in Canada in 1950. Canada is holding out for at least token shipments: expects to at least keep a toe in the door.

The one firm item is cheese. The Financial Post understands that the U. K. has now allocated a definite sum for 1950 cheese buying on this continent. This sum is sufficient to absorb all the Canadian surplus. If Canada cannot supply all the U. K. needs, the balance will be purchased in the U. S.

The first and key question (still undecided at midweek):—How many dollars would United Kingdom allot for foodstuffs in Canada in 1950?

Each year since the war the British have wrangled and bargained on this point. Each year, so far, they've reversed earlier "intentions" and come through with firm commitments for bacon, eggs, cheese.

Rt. Hon. James Gardiner, Minister of Agriculture insists they'll come through again this year: refuses to be stampeded with the old cries of "wolf!" "wolf!"

The egg and bacon situation is still uncertain. These items await the first contentious decision: how many dollars will U. K. allot for Canadian foods (other than wheat) in 1950? The amount under discussion is $30 to $50 millions. For 1949, the U. K. will spend about $62 million on bacon, cheese and eggs; $17.5 millions for eggs; $15 millions for cheese and $29 millions for bacon. Total British purchases would have been $95 millions if Canada had been able to fill all her commitment.

Eggs are going to be in surplus next year. Even with token shipments to U. K. prices will be lower.

But the item really frying is bacon. It now seems certain there won't be enough U. K. dollars to

(Continued on page 3, col. 4)

Is 1950 Auto Parade Sign Competition Back?

The 1950 automobile parade was well under way this week.

Based on debuts already made, prices are going to be slightly lower or unchanged.

In fact, there were signs that competition was developing on a broader scale than at any time since the war, on both the manufacturer's and retailer's level.

The signs were clearer in the United States than Canada, but they could be read here without too much trouble. One was the introduction last week of the 1950 Ford line with no price increase.

This is considered significant in view of devaluation which substantially raised manufacturing costs on the U. S. content. Also, while the new Ford products are basically the same as last year, the 50-odd changes and style refinements which have been made cost a lot of money.

So far Nash has been the only firm to actually cut prices on 1950 models; down $73 to $140. Next to show in the 1950 style parade was Studebaker; price unchanged but a major design change. Hudson followed with its new, smaller Pacemaker which will sell in the U. S. for $250 less than bigger models. Not yet in production is the new smaller Kaiser-Frazer job.

How many others will actually cut prices remains to be seen. But it is generally conceded in the U. S. that just about all will be making indirect cuts by offering models stripped of de luxe accessories and extras.

"We have been deluxing the devil out of our cars," said a U. S. producer. "Now the point has been reached where the consumer will be able to take his choice between a deluxe model or one without a clock, ash trays, lighters, chrome horn rings, etc."

This trend was partially confirmed this week when the 1950 American Pontiacs went on display in the U. S. Although there were no across-the-board price cuts, Hydro-Matic equipped models were cut $25-$158. They also slashed the price of station wagons by $250.

Other than this, there was no word on what G. M. or Chrysler would do, pricewise, but by holding the line, Ford has set a pattern which customer demand might compel them to follow.

Changeover is now under way on Chevrolet and other G. M. lines in the U. S. However, in Canada, the recent four-week strike has probably set back the 1950 debut. Chrysler's plans are also thought to have been affected by lowered production due to the steel shortage.

Meanwhile, the industry was still waiting for more information on the smaller car to be made by Kaiser-Frazer. At mid-week, K-F's Willow Run plant outside Detroit, was still shut down. Operations were halted in mid-October and last week officials were still mum about reopening date.

This was taken as another sign of changing market conditions. K-F shut down to give themselves a chance to move large stocks which backed up on them during the fall. To try to move them, they arranged a $10 millions financing fund through the government's Reconstruction Finance Corp.

Of all pent-up demand for consumer goods, none was greater or as prolonged as that for automobiles. In Canada more than the U. S., the demand is still great. But most people in the industry agree the end is in sight.

PRICES

Tires and tubes are going up in Canada following the second general increase in U. S. Goodyear has announced an increase here averaging 10%, attributing it to increase in taxes, higher labor and material costs, higher freight rates and devaluation of Canadian dollar. New prices are still lower than 1940 levels in most popular tire sizes.

Cost-of-living index went down for third successive month to 161.7 at Nov. 1 from 162.2 at Oct. 1.

Food index was off 4.7 points to 203.3. Seasonal reductions in meats, lower prices for eggs and fresh and canned vegetables, outweighed increases in oranges, lemons and coffee.

Clothing index declined from 184.1 to 183.7. **Fuel and light** advanced from 134.1 to 135.1 due to coal and coke increases. **Home-furnishings and services** up 0.2 to 167.4. **Rentals** unchanged.

Nylon filament yarns and staple fibre advanced 10c lb. by C.I.L. reflecting higher raw material costs as result of Canadian dollar devaluation. Nylon filament is used in full-fashioned hosiery, but it's doubtful if the 10c increase will have much effect on the price of nylon hosiery.

Rayons unlikely to move upward here following 4% hike announced by Dupont in U. S. Only small proportion of U. S. filament yarn goes into Canadian fabric production. Neither Canadian Celanese nor Courtaulds plan any immediate increase.

Tin has been trimmed 4c lb. to 81c by Tin Sales Corp., selling agency of U. S. Reconstruction Finance Corp. New price compares with that of 79½c (delivered N. Y.) quoted by British Ministry of Supply for deferred price contracts. Same price quoted for Straits tin in New York.

Nickel chocolate bars are back in Canada—one from Scotland, the other from England, with, maybe more to come, according to Canadian Grocer (Maclean-Hunter): One Canadian manufacturer is said to be planning to follow suit.

Peanut butter advanced about 10% by two producers. Reason: supply of Asiatic peanuts is pretty well used up.

N.B. Industry Boosts Output Of 'Plaswood'

MONTREAL (Staff)—A new $200,000 "Plaswood" plant at South Nelson N.B., is expected to reach full production in January, The Financial Post is informed. Output at that time is expected to be 25,000 sq. ft. a day. Production started in October.

"Plaswood" (The Financial Post, Sept. 4, 1948) is made from wood waste—sawdust, shavings, end trimmings, edgings, slabs and bark—using a special thermo setting resin as binder. It can be used for a variety of purposes, including sheeting for lining walls, as flooring, and as a core material for thick plywood. Standard sizes are 4 ft. by 8 ft. but it can be made in molds of various shapes.

The South Nelson plant is owned by Trafalgar Mills Ltd., the first company to be licensed to manufacture the new waste product by Plaswood Corp. of Canada, which holds the rights to the process in Canada. It is expected other companies in other parts of Canada will also be licensed to manufacture Plaswood.

The three principal backers in this new Maritime enterprise are J. Leonard O'Brien of South Nelson, president of Plaswood Corp. of Canada, whose Trafalgar Mills Ltd. is the first producer; Alfred H. Paradis of Paradis & Sons Ltd., Montreal, lumbering, pulpwood and lumber wholesalers; and Herman I. Hymans of Detroit, Mich., president of Plaswood Corp., Detroit.

Initially, production will be marketed in Eastern Canada, but it is hoped later to sell in the Eastern United States. First products are expected to be mainly veneer cores and flat and curved boards, including curved material in quantity for chairs, chair backs and other furniture. Plaswood can also be extruded for more intricate shapes. Waste materials are obtained from local planing mill.

Sugar Policy Puts Refineries 'On Their Own' in 1950 Buying

OTTAWA (Staff)—Contrary to opinion in some trade quarters, there seems no mystery here about the Government's 1950 sugar policy.

Last August refiners were informed the Government would make no more sugar purchases beyond what was needed to keep the trade supplied to the opening of navigation, 1950. There was one variation to this: Seaboard refiners argued they too should be underwritten until April 1. This the Government agreed to do.

It was also pointed out that if any refiner wanted the government agency to act as an "honest broker" in purchasing from the single U. K. seller, after April 1, it would do so. Some refiners have taken advantage of this.

It means simply that any requests for purchase after opening of navigation are passed on to the U. K. through the present sugar organization. No fee is charged and the responsibility as to price, purchase, etc., rests entirely with the refiner.

In short: Canadian refiners will be entirely on their own with the opening of navigation, 1950, or after April 1 in the case of Seaboard Refiners.

Under study, in the background, is whether or not Canada should become a member of the International Sugar Council now holding meetings looking to 1950 crop arrangements. We have never joined this body but have been invited to sit in as observers.

Drive-In Shows Booming; Famous Players To Add 7

Business is booming for Canada's drive-in movie theatres. Off to a slow start here, in comparison with U. S., the business got a lift this week.

Famous Players Canadian Corp., the nation's largest theatre chain, has plans—with associated interests—for seven new drive-ins for the West, The Financial Post is informed.

All told, plans are under way for at least 30 new drive-ins by various interests across the country, The Post is informed.

Favorable operating results of most of Canada's existing 36 drive-ins this summer have been a big factor in Famous Players' decision to enter extensively into the field. High attendance figures have been noted for shows featuring for the most part B pictures. It's argued therefore that consistent A showings would attract that much better business.

Famous Players' plans call for one outdoor show each at Victoria, Vancouver, Nanaimo, Regina, Saskatoon and two more for Winnipeg. Sites have been purchased for the Regina, Saskatoon and Nanaimo theatres. Others will be purchased shortly.

Famous Players recently acquired an interest also in drive-ins at Port Arthur and Mount Albion, near Hamilton. The company already holds interests in drive-ins at London, Windsor, Stoney Creek, Chippewa in Ontario and at Winnipeg.

Accommodation for 700 Cars

Characteristic of the new outdoor screen-houses is that planned for operation in spring 1950, on the outskirts of Regina. Cost will be around $150,000 and the property will cover more than 30 acres. There will be accommodation for 700 cars. A hard-surfaced ramp layout is planned with in-

(Continued on page 3, col. 7)

Vast Pension Plan Now Being Hurried

Ottawa Wants to Avoid Bringing Up New Scheme at Federal-Provincial Conference. Parley With Provinces on Taxation In Fall

By KENNETH R. WILSON

OTTAWA (Staff) — There is a determined effort here to produce and announce a new federal old age pension policy within the next three or four weeks and if possible, prior to the Dominion-Provincial conference on Jan. 10.

The difficulty is that neither the government's experts nor ministers are able to make up their minds just what kind of an old-age pension system this country needs.

The urge to action stems from possible political embarrassment next month when provincial premiers meet to discuss ways and means of amending the constitution.

The Government is determined, if at all possible, to narrow the conference wholly to constitutional matters; not let it get bogged down in tax or specific issues like pensions.

For this reason, it is planned to announce in advance, that there will be a federal-provincial tax conference in the autumn of 1950.

By making this announcement, the Government hopes to lift this issue completely out of the January talks. Similarly with pensions.

Provinces to Raise Issues?

Some or all of the provinces are expected to raise a live and specific issue like old age pensions.

If this happens (as seems almost certain) the Government could meet it in one of two ways:

1. By first having announced a new policy which will involve no constitutional amendment.

2. By being ready with a specific policy and a concrete proposal for enlarging present pension arrangements with either a constitutional amendment or some new approach to federal-provincial co-operation.

The pension question was raised in the House last week. Several members expressed convictions that the time had come to embark on a universal contributory old age pension plan in Canada. There were repeated references to the upsurge of $100-a-month industrial pension plans in the United States.

A demand that the Government "at least make up its mind" was made by David Croll, who said: "Unless we are able by the next session of Parliament to give guidance and leadership in the matter of pensions, we shall leave ourselves open to piecemeal hodge-podge unsatisfactory systems which will cover this country like a crazy quilt."

Ottawa Looks at Problem

Present thinking in Ottawa respecting a new old-age pension policy is very muddy. It runs along a number of alternative courses:

1. Extend present government annuity plans by cheapening cost and enlarging to $1,800 (instead of $1,200).

2. Ease the means test but continue the present combined federal-provincial $40 monthly payment to "most" people over 70.

3. Pay $30 a month as a matter of right to all persons 70 or over from federal funds. (This would add about $200 millions annually to present federal costs of about $100 millions). Let the provinces add what they liked to the $30 figure (as they

(Continued on page 3, col. 3)

Inside News

$8 Millions For Diplomats

Currently we're spending $8 millions a year on a diplomatic and consular service that's ten times greater than it was 15 years ago. What are we getting out of this greatly enlarged representation abroad? How well are we served by it? (p. 15).

Why Gas Line Filibuster?

Rarely have two private bills come in for such heated and prolonged discussion as those currently before the House seeking federal charters for two companies seeking to bid for rights as gas pipeline operators. Seven times each bill has been talked out. Why the filibustering? (p. 15).

How Shift Tax Burdens?

To ease property taxes and increase efficiency, what municipal services could be reduced, eliminated or transferred to another authority? Realtors, municipal officials and other readers close to the problem, in the main, see need for stronger measures in regard to such items as primary education, unemployment relief, low rental housing, care of the aged, etc. The Question (p. 11).

N. Z. Vote Sign of Times?

Is New Zealand's decision to throw the Socialists out after 14 years in power a portent of how the British will vote next year? Adelphi comments in London Calling (p. 28).

Abitibi Switch by Compton

Indications of a more liberal dividend policy on the common stock of Abitibi Power & Paper Co. and purchase by the company in open market of Abitibi preferred shares prompts a like stock switch in the Compton account. Managed Investment (p. 5).

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Easier Credit Boosts Car Sales

Dealers Try Different Plans to Offset Drop

By RONALD WILLIAMS

In the tightening race for sales, more and more retailers are using that prewar stimulant—easy credit—to help their entrant along.

One United States car dealer is even luring customers with offers of "Christmas money." He gives you all cash for your car if you'll take one of his later models. There's no down payment on it. All you do is pay the first monthly installment. The cash he gives you for your car is "Christmas money."

This "no down payment" stunt is still the exception rather than the rule, out easier credit is coming back. The comeback is faster in the United States than Canada.

Here, those "dollar down and dollar a week" days are a long way off, but the temptation to use easier credit to jack up sales will likely be a lot harder to resist after the spectacular results achieved by a Toronto Ford dealer.

Hillcrest Motors ran a six column ad in one Toronto daily offering slightly used demonstrators and company cars at the surprisingly low down payment of $295 with 36 months to pay the balance. Usual terms: at least 40% down, or about $800 on a '49 Ford, not more than 18 months to pay.

The response: "Simply terrific . . . unbelievable," Sales Manager Andy Bates told The Post. "We got telephone calls from all over Ontario and a few from Quebec. Letters are still coming in. I've never seen anything like it. We were just swamped.

The ad appeared on a Friday afternoon. By eight that night, the 16 company cars had been snapped up (at $100 below list). Some of the hundreds who converged on the showroom and didn't get one, left disappointed. Others quickly grabbed new 1949 Fords when they were offered at $495 down. Some paid more than the regular one third down (about $700), others all cash. Before it was all over, Hillcrest had sold 65 cars.

"Brother, what a weekend," sighed Sales Manager Bates.

Like many another Ford dealer, Hillcrest found themselves with more cars on their hands than they liked, particularly with 1950 models just about due. (They went on display last Saturday). This and the normal seasonal decline had put a bit of a crimp in demand.

Hillcrest went into a sales and advertising huddle. Out of it came the one-shot advertisement featuring 'way below normal easy terms.

President Harry Hershon admits it was a "drastic measure to correct a particular situation."

But it wasn't exactly new for Hillcrest. A few weeks earlier, they used the same wrinkle to needle slumping sales on their used car lot. They offered every car on the place priced under $300 for $25 down and $5 a week; everything under $500, $50 down and $10 a week. Sales skyrocketed.

Long-term Plan

Few Canadian auto dealers, new or used, were offering such easy credit. Some were advertising 10% down and 36 months to pay. But only a handful were actually getting those terms, The Post is told.

One plan being used was the old "balloon note" arrangement, long since taboo with the big national finance companies. Payments are arranged on a 36-month basis but the balance comes due at the end of 12 months. The dealer tries to get all or as much of it as he can and finances the rest for another 12 months with a second balloon note attached. At the end of 24 months, the squeeze goes on again. If successful, that's it; if not, payment is extended up to the advertised 36 months.

This stunt by some companies

(Continued on page 3, col. 4)

Trawler Cost To Drop Now?

OTTAWA (Staff) — Most controversial feature of the new federal fisheries policy announced this week by Fisheries Minister R. W. Mayhew, is the courageous decision to change traditional trawler policy.

Making at long last a clean break with the horse-and-buggy days, the government will now grant licenses to new trawlers to be built in U. K. as well as Canadian yards. (This should cut capital costs by anywhere up to 50%.)

As well, fishermen will be permitted to purchase and operate "better types" of second-hand trawlers either from the U. S. or from the U. K. after payment of duty.

Licenses to second-hand trawlers will be issued only when the company concerned has laid down a new keel.

Pace of Business

Department store sales in week ended Nov. 26 were 7% above corresponding 1948 week. All provinces showed gains except Saskatchewan (off 4%). Ontario and the Maritimes were ahead, both with 10% increases.

Carloadings in week ended Nov. 26 totaled 78,972 cars compared with 82,950 in previous week and 85,313 a year ago.

Cost-of-living index (1935-39=100) at 161.7 on Nov. 1 was down 0.5 points from 162.2 on Oct. 1 with declines in food and clothing costs more than offsetting advances in fuel and home furnishings. Index was 1.1 points below August peak of 162.8, 2.1 points below 159.6 a year ago.

Flour production in October totaled 1,858,774 bbl., off 4.7% from 1,951,362 bbl. a year ago.

Pig iron production in October was 166,020 tons, decline of 10.9% from 186,424 tons last year. Ten months total up 2.5% at 1,825,023 tons (1,779,905).

Steel production totaled 258,891 tons in October, off 8.2% from 281,866 tons in Oct. 1948. Ten months total up slightly at 2,663,259 tons (2,643,253).

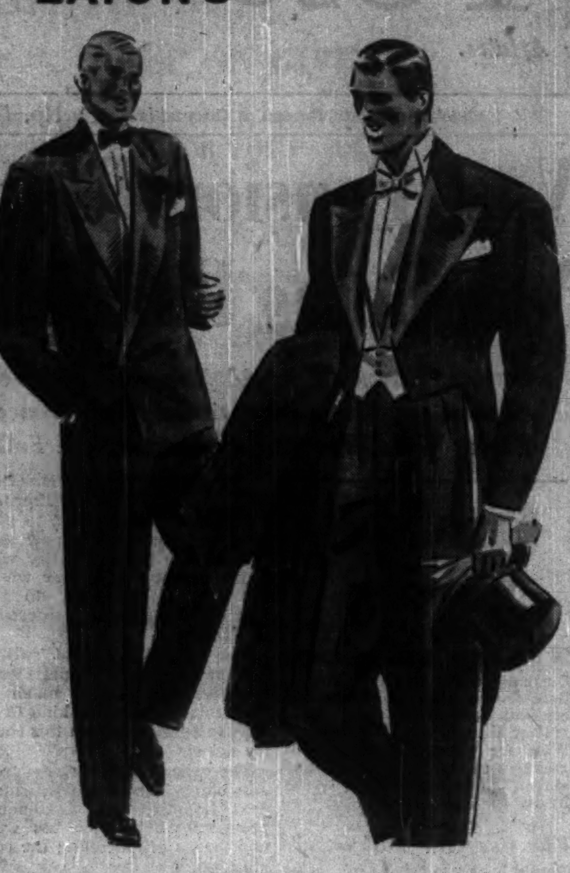
Fish caught in October: 124,130,000 lb. valued at $4.1 millions compared with 114,170,000 lb. at $6.2 millions a year ago, increase of 8.7% in volume, decline of 33.7% in value. Ten months total was 989.8 million lb. at $47.4 millions against 1,045.5 million lb. at $53.5 millions in 1948—off 5.3% in volume and 11.4% in value.

Domestic sugar sales in October amounted to 20.2 million lb. beet sugar and 93.7 million lb. cane compared with 13.6 million and 100.7 million respectively in Oct. 1948, increase of 48.5% in beet, decline of 7% in cane. Total domestic sales slightly lower at 113.9 million lb. (114.3).

Factory shipments of Canadian-made motor vehicles totaled 28,125 units in October, off 9% from 30,894 in September but 12.2% above 25,057 a year ago. Ten months total up 16.6% at 244,992 (210,079).

Canal traffic was off 12% in October as compared with last year due to the steel and soft coal strikes in the U. S. Total tonnage was 2,820,085 tons in October (3,205,143).

EATON'S



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QUEJO MINES is considering resumption of diamond drilling on its property in the Rouyn area, W. G. Chipp, secretary-treasurer reports. Electrical and magnometric survey maps are being studied to determine location of further drilling sites. Negotiations are reported under way on a gold prospect.

Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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Derided by many a householder and technician in the expansive 1920's as a has-been, the "hot-air" branch of the heating industry has fooled experts and public alike, is looking for wider fields.

Filters of glass fibre and electric precipators keep the air — and the house — clean. Streamlined duct systems provide maximum head-room in the basement. One system carries warmed air directly to the attic and then back down to the outlet registers fixed high on room walls below.

Warm-air furnace makers and installers, having learned to control temperature, circulation and humidity, are now plugging ways to abate the dust nuisance. As well, they're looking ahead to germs. Sterilization, they say, should be easy in a heating system which moves all of the air in a structure. Devices to kill bacteria already have been used in packing houses, hospitals and schools, including ultra-violet lamps and a triethylene glycol spray or vapor introduced into the air circulation. The latter, it's claimed, has reduced incidence of the common cold in almost every application and furnace makers think similar air purification soon will be within purse-reach of the average homeowner.

Progress is Recent

Most of the industry's progress in Canada has been chalked up in the 1940's.

Sparked six years ago by Fred Rand, of Sackville, N. B., and Mort Smith, of Preston, Ont., Canadian chapter of the National (U. S.) Warm Air Heating & Air Conditioning Association this week held its annual meeting in Quebec City. It now reports about 34 manufacturer-members (about 90% of the industry) plus over 600 associate or dealer members across Canada. Headquarters are in Toronto; C. B. Taylor is managing director.

No longer content to string along with technical improvements developed in the United States, the organization two months ago arranged with Queen's University for an original Canadian research program "so that the industry here won't be wholly dependent on American studies at University of Illinois . . . This move at Queen's opens the door to new promotion and enterprise."

Reported to have done $30 millions of business at consumer level in 1948 — when Canadian warm-air furnace makers produced 62,000 units — the industry's 10 months production this year to Oct. 31 has run about 25% higher.

Self-Educated Industry

Main aim of the chapter is to encourage use of Association-sponsored codes and manuals, improve on rule-of-thumb design which resulted in black eyes for the industry during its low period.

In May, 1945, Canada's first industry-sponsored warm-air heating "school" was held, limited to representatives of manufacturer members and attended by 44 from all parts of the country. Place was the University of Toronto, with Prof. E. A. Allcut assisting.

In 1946, two schools were held — one in Toronto, the other at Queen's University in Kingston — with attendance 58, mostly heating contractors.

The next year, 1947, seven schools or dealer conferences were staged from Vancouver to Amherst, with 248 contractors enrolled for four-day study periods.

Last year, 10 conferences in as many cities attracted 431 "students" ranging in age from 14 to 74. This year: 12 schools, 462 delegates.

Officially-rated furnace capacity is giving dealers a new sales approach — "indoor comfort" with a furnace rated according to house size and the efficiency of its heat-loss insulation. Manufacturing members of the Canadian body adopted the B.t.u. method of rating furnaces in 1944. Since then, they've gone a long way toward standardizing designs and sizes of fittings.

The chapter has awarded 250 certificates to contractors and dealers who have completed its study courses. In Calgary recently, they helped the city draw up a municipal code of regulations to govern warm-air heating installations. Similar municipal codes for other major centres were among major objectives discussed this week in Quebec City.

2-12% Increase In Shoe Prices Due in Spring?

Increases in shoe prices are in the cards come spring.

That's the latest word from the retail trade, although some manufacturers feel differently.

A recent survey by the Canadian Shoe Retailers' Association indicates increases from 2%-12% are expected.

Devaluation is blamed. Certain types of linings, filler material, lace tags and other items which cannot be made economically in Canada due to low volume, are imported from the United States. When the Canadian dollar went down, the cost of bringing this material in went up.

In addition, a seasonal problem has developed in hides which will also affect spring prices, it is reported. There is a definite shortage of some hides, particularly calf skins. To make up, some manufacturers have had to buy more U. S. hides. Further, some tanners reportedly want to increase the price of sole leather.

Costs have definitely increased but some manufacturers doubt whether the market can absorb them, without a substantial drop in volume. Some in the trade are looking for an increase in volume whether prices go up or not. Others are expecting a slight drop even if prices hold.

On the other hand, some manufacturers were up to their uppers in work. One firm making high class men's shoes has only been able to give customers half of what they ordered. Importers in the U. S. want this particular product. One of the biggest manufacturer of children's footwear is turning out about 5,000 pairs a day and still can't meet the demand.

As one trade official told The Post: "The shoe business is doing all right."

Despite loss of export markets, shoe production is up about 15% over last year: Up to the end of September, Canada's 278 shoe factories had turned out 27.5 million pairs against 23.7 million in the same period last year.

Investment Houses' Santa Seen As Generous Giver as in '48

Santa was taking a look at the ledgers in investment and brokerage houses, banks and industrial firms this week. And it looked at midweek as though he was going to be just about as generous as last year.

Here's the picture as gathered by The Post at midweek.

In investment houses, soon to close their books on one of their good years, it looked as though bonuses would be in most cases as attractive as last year's varying from three to six weeks' extra pay.

One of the largest houses with branches across Canada always makes its payments after the New Year on the theory that the money generally goes to better use at that time. This house has been paying around 10%-12% of year's salary to employees and will likely do the same this year.

In brokerage houses the picture was varied. Till early September this year business was poor and most firms were just managing to stay on the right side of the ledger (one or two didn't). Anyone suggesting a year-end bonus at that time would have been laughed at. But business has picked up considerably in the last three months and December has started off well.

In most cases the year will be a little poorer than last unless the next three weeks are abnormally active. Most houses contacted intend to pay some bonus but in most cases it will be down somewhat from last year. An average might work out at between one and two weeks' salary.

One mining house with wire connections will be paying two weeks, paid three weeks extra last year.

Another house that does a large industrial stock business has been paying a bonus of 20% of weekly salary all year except in summer when there was no Saturday trading. On $40 a week this would mean a total of about $225 over the year. Whether anything further will be paid out at year-end will depend on December business.

Chartered banks' policy on Christmas bonuses varies. One bank, for example, has declared a cash bonus of 5% of salary to all employees. Another, rather than a year-end bonus, spreads it over the year. Salary adjustments are usually made at the year-end and a bonus may then be added. In some cases no announcement has yet been made, but usually Santa Claus comes to the bank staff either in salary increase or a bonus of some sort.

Among industrial firms, bonuses or gifts, are more prevalent among smaller concerns. Few large industries have any Christmas arrangement. An exception is Massey-Harris Co. Ltd. This firm expects to distribute close to 12,000 boxes of Christmas food to employees here and in England this year.

Some smaller firms give turkeys or baskets of groceries but few give cash.

Wish that special friend or client
A MERRY CHRISTMAS
with a box of "La Simbombo"
Enquiries invited

Barber-Ellis of Can. Earnings 5-10% Higher

Sales of Barber-Ellis of Canada, Ltd., to date in 1949 are from 5% Harvey Ellis, president and chairman of the board, tells The Financial Post. However, competition has returned to the business and selling now is more difficult.

Earnings for 1949 are expected to show a similar increase over 1948, when net profit totaled $229,571 or $5.12 per common share.

Rising labor costs have absorbed much of the savings realized from the improvements in mechanical equipment, Mr. Ellis said. The program of modernization started three years ago to cut costs is still under way.

Advertising

Young & Rubicam Ltd. appointed George R. Lamont, effective Dec. 1, as office manager and supervisor of media in its Toronto office.

* * *

Walsh Advertising Co. (Toronto) appoints J. Everett Palmer as radio director; also co-director of a television department in association with Charles D. Truman. Gordon E. Howard handles radio account supervision. Plans for expanding Toronto radio department include provision for TV services upon advent of visual broadcasting in Canada.

* * *

O'Brien Advertising Ltd. (Vancouver) arranged advertising in dailies and radio for opening in Vancouver of new automotive centre and parking garage of Black Motors Ltd., occupying three-quarters of city block.

* * *

Walsh Advertising Co. (Montreal) handles new campaign for Mount Royal Dairies, offering two free bicycles every month to boys or girls under 16 who best describe product.

* * *

James Lovick & Co. (Montreal) appointed to handle French advertising for Dominion Preserving Co., Montreal, which will feature Habitant Pea Soup and Vegetable soups in daily insertions of 60- and 600-line ads.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Auto Fabric Products Co. Ltd. (Montreal)—J. F. Ware, president, D. G. Scott, executive vice-president and general manager.

Burlington Steel Co. Ltd. (Hamilton)—Graham Morrow, vice-president and director; Robert S. Hart, board chairman.

Canada Gov't (Ottawa) — David M. Johnson, high commissioner to Pakistan (new).

Canada Health & Accident Assurance Corp. (Waterloo)—E. B. Hastilow, comptroller.

Canadian Arsenals Ltd. (Ottawa) —Vice-Marshal D. M. Smith, a director.

Canadian Chamber of Commerce (Montreal)—W. J. Sheridan, executive secretary; C. H. Scoffield, secretary; Murray Tevlin, secretary, Canadian Chamber and U. S. Chamber joint committee.

Canadian Exporters' Association (Toronto) — Q. J. Gwyn, T. H. Weatherdon, G. W. Welbourne, vice-presidents; H. S. Griffin, honorary treasurer.

Canadian General Electric Co. Ltd. (Toronto)—H. D. Quinlan, mgr., air conditioning heating div., Toronto; A. C. Warrender, manager of sales, Ottawa district; H. L. Sheen, manager, commercial engineering section (new); W. F. Wansbrough, manager, radio and television; V. B. Dowdell, manager, electronic tube section.

Canadian Industries Ltd. (Montreal)—Richard P. Eyres, sales manager, Montreal and Halifax district.

Canadian National Railways (Montreal)—J. E. Forsey, division freight agent; Thomas J. Dalton, district passenger agent, both at St. John's.

Central Mortgage & Housing Corp. (Ottawa) — R. J. Christie, manager, St. Catharines rental office; George J. Hunt, assistant manager at Windsor.

J. H. Connor & Son Ltd. (Ottawa) —Louis E. Cote, sales manager, eastern division.

Davidson & Co. (Toronto) — Edward M. Echlin, admitted to general partnership.

Domestic Packers' and Processors Association of Canada (Toronto)— James Cridland Jr., president.

Fruehauf Trailer Co. of Canada (Weston, Ont.)—Wilfred Hampson, sales promotion manager.

Great-West Life Assurance Co. (Winnipeg) — H. R. MacMillan (Vancouver) a director.

International Civil Aviation Organization (Montreal) — Air Vice-Marshal Alan Ferrier, assistant secretary general for air navigation.

International Nickel Co. of Canada, Ltd. (Copper Cliff, Ont.) — R. Ewart Stavert (Montreal) a director.

International Paints (Canada) Ltd. (Montreal)—E. J. Trott, C. H. Neroutsos, vice-presidents.

Irish & Maulson, Ltd. (Montreal) —Arthur L. Eke, a vice-president.

John Labatt Ltd. (London) — W. L. Shortreed, company secretary.

Manitoba Real Estate Association (Winnipeg) — R. C. Aikens, president (new).

Maritime Commercial Travelers' Association — George W. Wilson, (Dartmouth, N.S.) president.

McLarens Ltd. (Hamilton) — Elmer R. Freel, vice-president and general manager; W. M. Hatch, vice-president and assistant general manager.

Montreal Locomotive Works, Ltd. (Montreal)—William J. Niles, sales manager; Ira I. Sylvester, technical sales engineer, Diesel division; J. S. O. Neville, manager, Diesel-electric & service division.

Montreal Taxation Division Office (Montreal)—J. G. McEntyre, a director.

Newfoundland Gov't (St. John's) —David L. Butler, chief administrator, Department of Health (new).

Northwest Commercial Travellers' Association of Canada—F. H. Masson, (Winnipeg) president.

Nesbitt, Thomson & Co. Ltd. (Montreal)—William A. Leach, Ken Murray, join Vancouver staff.

Northern Alberta Railways Co. (owned jointly by CPR and CNR) —Ralph Fullerton, supervisor of communications.

Personal Finance Co. of Canada (Toronto)—G. L. Ruest, field auditor; branch managers: W. J. Weiss, Kitchener; J. L. Carriere, Montreal-Downtown; F. G. Ferguson, Sherbrooke; C. A. Fisher, Toronto-St. Clair; J. A. LaBarre, Port Arthur; W. Pearson, Sault Ste. Marie; B. Spelliscy, Fort William.

St. Lawrence Flour Mills Co., Ltd. (Montreal)—C. A. Coll, Maritime sales manager.

Shell Oil Co. of B.C. Ltd. (Vancouver)—W. D. Milne, retail manager at Toronto.

Silknit Limited (Toronto) — C. Gruenwald, a director.

Standard Brands Ltd. (Montreal) —D. G. Caldwell, vice-president in charge of grocery products; C. K. McInnes, vice-president in charge of bakery products; G. C. Clarke, vice-president in charge of advertising and sales promotion.

Toronto Builders' Exchange — Thomas F. Beattie, Gilbert E. Alexander (general contractors), Colin W. Gordon, H. O. Dougall (trade contractors), T. A. McCleary, Keith McCord (manufacturers & suppliers), group chairmen, vice-chairmen and Exchange directors.

White Motor Co. of Canada Ltd. (Montreal): E. L. Jackson, manager, Calgary branch; G. D. Robinson, service manager, Toronto branch; William Johnson, technical service, Montreal; Z. M. Ferley, assistant production manager, Montreal.

Obituaries

W. M. Bentley, 78, Winnipeg, claims manager for National Drugs Ltd.

Herbert John Clare, 81, Preston, sales engineer for Clare Bros. & Co.

B. T. (Ben) Chappell, 72, Vancouver, former CNR general superintendent, Manitoba district.

Jason S. Creed, 81, Mill Village, N.S., retired manufacturers' agent.

G. N. Derrington, 68, Winnipeg, 32 years western representative for Acme Glove Works Ltd., Montreal.

Robert B. Kenrick, 85, retired civil engineer, and former assistant manager, Dominion Bridge Co.

Imperial Tobacco Company of Canada, Limited

DIVIDEND

NOTICE is hereby given that a Dividend (No. 9) of Twenty-five cents (25c) per share has been declared for the quarter ending 31st January, 1950, on the paid-up 4% Cumulative Redeemable Sinking Fund Preference Shares of the Company. The said Dividend will be paid on Wednesday, the 1st day of February, 1950, to shareholders of record at the close of business on Tuesday, the 20th day of December, 1949.

By Order of the Board.

A. R. TILLEY,
Secretary.

MONTREAL, P.Q.
1st December, 1949.

WANTED TO PURCHASE

Established manufacturing business making products in steady demand. The business required should show good profits, or have substantial earning possibilities, if provided with competent management and ample working capital. Our client, a successful American market analyst and sales manager, would consider an investment up to $300,000, although a smaller proposition with prospects of growth would also be suitable. A prompt decision will be given to any proposal made.

NORMAN BROOKE, Manager
INDUSTRIAL DEPARTMENT — GUARDIAN TRUST CO.
MONTREAL

Consult us in confidence for business opportunities, whether as buyer, or seller.

ASSISTANT TO COMPTROLLER

Large manufacturing and distributing company with offices and plants throughout Canada, having international affiliations, requires Assistant to the Comptroller. Initial assignment will include complete responsibility for all Treasury functions in plant and field offices. Excellent opportunities for advancement either within Canada or abroad. Applicant should be a fully trained accountant, preferably a Chartered Accountant, or having equivalent training and, in addition, should have a number of years administrative experience in industry. Apply in strict confidence to

BOX 352, THE FINANCIAL POST, TORONTO.

DEL RIO PRODUCERS experienced a loss of $7,033 in the year ended Sept. 30, 1949. Only revenue for the year was $10,683 from interest in Federal Syndicate No. 1 production in Princess area as no revenue accrued from Consumers Exploration No. 1 and 2 wells in the same area due chiefly to lack of market.

Of three wells drilled in which an interest was held during the latest year, only Central Lac La Biche (25% interest) was successful, being completed as a potential gas well from Viking and Lower Cretaceous sands.

Interests have been secured in 17 western oil areas including Peace River, Queen Charlotte Islands, B.C., Golden Spike, Stettler, Excelsior, Princess and Hand Hills.

Balance sheet as at Sept. 30, 1949, shows current assets of $177,737 including $161,670 cash as against accounts payable of $7. A total of 2.5 million shares were issued of an authorized capital of four million

For a Merry CHRISTMAS
DEWY FRESH FLOWERS
AND FLOWERING PLANTS

DALE *Autographed* ROSES

Simmons and Son
LIMITED
Ernest S. Simmons
350 YONGE ST. TORONTO -- ELGIN 9286-7-8
Fine Flowers Since 1894

WOOD WORKING — METAL WORKING

Well-equipped, modern factory has surplus capacity to take on additional lines. Can make wood specialties, boxes, trays, cases, etc., with dovetail and sanded finish, if desired. Metal parts to match. Send your specifications of any work along above lines.

F. W. JONES & SON, LTD., Bedford, Que.

"TRUTH SPEEDS BEST PLAINLY TOLD"

You can buy your Christmas apples for yourself, your friends, your favorite institutions at Wholesale prices, ranging from 2.00 to 3.00 per standard bushel basket, according to variety desired, delivered in the City or to out of town carrier.

Snows — MacIntosh — Spies
Talmans — Greenings

M. G. M. BRAND
Quality Guaranteed

MUTUAL GROWERS MARKET LTD.
41 Church St. Tel.: AD. 1345
Ask for Mr. Ash.

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WHY IS IT THAT EVERY COPY OF MAYFAIR AVERAGES OVER SEVEN READERS?

GET MAYFAIR AND EXAMINE IT. YOUR OWN GOOD JUDGMENT WILL TELL YOU.

A fraction of your ad budget buys a lot of prestige when you use Mayfair's low-cost national circulation.

ASK YOUR ADVERTISING AGENT OR PHONE
MAYFAIR MAGAZINE
DOMINION SQUARE BLDG., MONTREAL
481 UNIVERSITY AVENUE, TORONTO
A Maclean-Hunter Publication

GIFTS THAT "KEEP ON GIVING"

RECORDS FOR YOUR MUSICAL FRIENDS AND FOR THE FAMILY

The Gift of Home Entertainment

AN R.C.A. VICTOR TELEVISION SET

DROP IN, PHONE OR WRITE

Promenade Music Centre

83 BLOOR STREET WEST and 1435 YONGE STREET

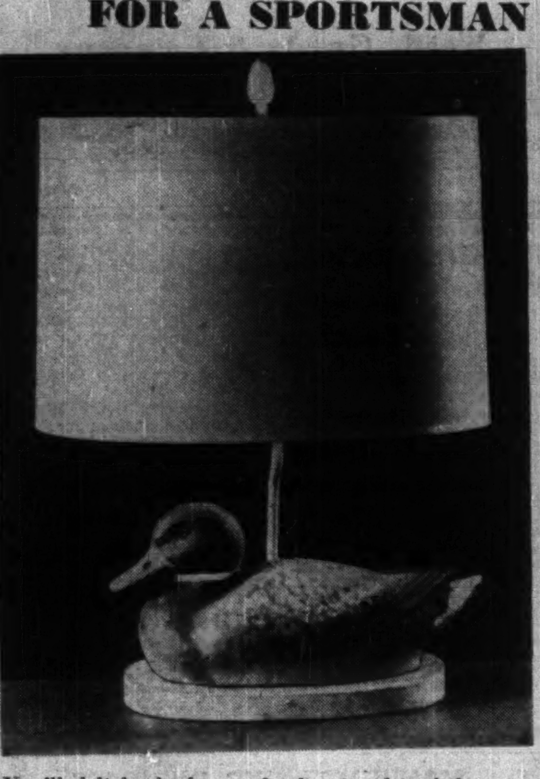
MI. 2437 PR. 1334

Both Stores Open Every Evening Until 9 p.m.

Mindus Forms New Subsidiary

Mindus Corp. plans expansion of industrial operations by forming new subsidiary to manage additional companies. Through new subsidiaries Mindus will control 11 industrial companies. Special shareholders' meeting Dec. 16 is called to approve new setup.

CLEVER GIFT FOR A SPORTSMAN



You'll delight the heart of a hunting friend the year round with this plump Mallard Duck Lamp.

In office, den or recreation room it will serve as a nostalgic reminder of happy days with gun and dog.

The hand-made opaque shade comes in gull grey, reed brown or forest green.

22 inches tall 14.95 complete

LINDSAY STUDIOS

48 Bloor W. TORONTO MI. 8822

Vast Pension Plan Now Being Hurried

(Continued from page 1)

do now) and also assume responsibility for any schemes in the 65-69 age group.

4. Underwrite any or all programs by compulsory contributory pensions administered by Ottawa (after constitutional amendment); much as the unemployment insurance scheme is now handled

There just isn't any view, as yet, as to what will be recommended and what course (if any) the Government will adopt prior to Jan. 10.

The comment, not unimportant, is that the next election is a long way off and any substantial new federal payment might well be lost if it was introduced now.

Against this, it is known that Prime Minister St. Laurent feels he has a definite obligation (arising out of the election) to take some steps toward an improved pension plan. Indeed this is one of the main reasons why the whole constitutional question has been raised so early.

Keep Provinces In

In some quarters there is a belief that it would be helpful to keep the provinces as partners in the old-age pension program. This tends to avoid the sort of criticism that might be levied if they were frozen out of the field entirely.

This issue may not be solved until the forthcoming federal-provincial tax conference is held.

There are a number of questions which individual provinces will want resolved before they commit themselves to any further sharing of the old-age pension costs.

There is also the outstanding federal offer of the "green book" of 1945 under which Ottawa said it would take over all pensions from age 70 as a matter of right and that it would contribute jointly to federal-provincial pensions between 65 and 70.

HERE'S A REAL XMAS GIFT

for your clients

KNIFE ILLUSTRATED IS A BEAUTIFUL TOLEDO (EMBOSSED) HANDLE WITH TWO STAINLESS STEEL BLADES AND NAIL FILE .... ea. $5.00

also

ENGINE TURNED KNIVES

2 BLADES & FILE, $3.00

1 BLADE & FILE, $2.00

in attractive gift boxes

PANAMEX (Can.) LTD.

49 Colborne, TORONTO—Plaza 6060

Britain Horsetrading On Food Contracts?

(Continued from page 1)

absorb the 1950 surplus, no matter what happens.

(Suppose the U. K. allocates fixed sum of say $40 millions for 1950. Distribution will still be difficult since it's impossible to guess now how much of this will go for cheese. Until that's known, it won't be clear what is actually available for bacon — or eggs — even if the British fix an overall amount.)

Since there almost certainly won't be enough U. K. dollars to buy the 1950 bacon surplus, this raises the tough question: shall we remove the present embargo against Canada-U.S. hog and bacon trade?

(There is presently a two-way ban. Dollar exchange controls prevent U. S. hogs and bacon coming in; a wartime embargo aimed to divert surplus Canadian bacon to the U. K., keeps Canadian hogs from going south).

Since September the heat's been on. In the past eight or 10 weeks we've exported as many hogs as during the entire nine month period from January to September, inclusive. Marketings are currently up 30% over the same period last year. This means we'll finish 1949 with about 80 million lb. shipped under the U. K. "target" of 165 million lb.

And the run will continue at least through to midsummer next year. It's estimated here that marketings will be 25% higher in the first quarter of 1950: 20% up in the second quarter — compared with the same months this year. That means we'll probably market 80 million to 100 million lb. of bacon for export in 1950.

What are we going to do with it?

If we are to again make a contract with U. K. (for a smaller quantity and at a lower price than the 1949 rate of $36 per cwt.) then it is essential for Canada to keep the embargo on U. S.-Canada transfers. True, the U. S. bacon price is presently and temporarily below the 1949 Canada-U. K. contract price of $36. But there is no possibility of the U. K. offering the $36 price again in 1950.

(U. K. is presently said to be paying 18% less, in sterling, for Danish bacon, or about $30.)

If U. K. were to pay $30 for Canadian bacon it would cost approximately $24 millions to move 80 million lb. — same amount as this year.

The present U. S. floor price is pretty close to the $30 figure. It is also due to rise each month until at least April 1, by reason of statutory requirements under the parity price system. The equivalent U. S. parity price in March would be about $33 after figuring difference in exchange, etc. If the 90% parity is continued by Congress after April 1, the price would move even higher during the summer.

Three Alternatives

Thus our chief item of controversy, with the British vis-a-vis bacon: How to spend their bacon dollars in Canada in 1950?

Sign a firm contract?

Buy at spot prices in the open market?

Allocate a fixed number of dollars and set maximum prices for unstated amounts to be purchased in each quarter?

Each of these alternatives present pitfalls and difficulties on either side. If we signed a contract for a smaller amount than our probable surplus, we'd be faced with having to get rid of our surplus in the U. S. or elsewhere, later this year. By that time, some of the bloom might be off the U. S. market.

There's also the difficulty that letting the U. K. buy competitively in the Canadian market might put the Canadian packer and producer at a considerable disadvantage since U. K. buying is now done by a single purchaser.

There'd be a free market in Canada, subject to ups and downs on both sides of the line: with U. K. state traders possibly in the driver's seat watching our surplus accumulate so they could make a killing later in the year when prices dropped from top heavy supplies.

If this happens it's almost certain the Canadian Government would step in with floor prices.

By Dec. 12 or 14 we'll know some of the answers. Not until.

Easier Credit Said Boosting Auto Sales

(Continued from page 1)

and Hillcrest's easy terms are the exception rather than the rule. Firms in the auto financing business are not covered by law as the Small Loans Act covers loan companies. However, major financing firms stick pretty close to a well-established pattern.

Standard terms:

On new cars, at least one-third down; up to 24 months to pay.

Used cars: at least 40% down; 18 months on models over two years old; only 12 months if older.

Unlike small loan firms whose rates are set by law, finance companies decide their own charges but because competition is keen, they work out to about the same.

Not Definite Rule

Normally, big firms shy away from auto paper if financing arrangements vary much from the established pattern. Most of the paper offering easier terms is handled by smaller firms or by the dealer himself.

However, in the case of Hillcrest, Industrial Acceptance Corp., one of the biggest, is handling the financing; not only of the demonstrators and new cars but the earlier used car sales as well.

The explanation being offered: the pattern is a guide, not a hard and fast rule. There are always exceptions, depending on circumstances and conditions. This happened to be one of them.

It was made clear that the exception does not mean that automobile or any other credit controlled by reputable firms is getting out of hand.

Although some firms are doing as much business in a month today as they did in a year prewar, this condition is not considered out of line with the prewar relation to consumer income.

Automobile financing reflects this trend. Vehicles financed (cars and commercial units) January to September, 1949, increased 54.1% in number and 52.9% in value against the same period in 1948.

But this only represented 24% of the total number of new vehicles sold this year (58,358 out of 205,655). The prewar average was 35%.

Dollarwise, the contrast is even more marked: The amount financed was only 20% of the total value ($83.2 millions out of $427.6).

The consensus: Certainly credit's easier. Sure, there's plenty of advertising and talk about easier terms. Total installment credit is definitely on the increase. But it is not out of line in view of our increased national income.

STEEP ROCK IRON MINES realized a net profit of $1,267,173, equal to 18.2c a share in the 10 months ended Oct. 31, 1949.

Look For It Here

Dec. 10, 1949

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Drive-In Shows Booming

(Continued from page 1)

car speakers and a concession booth. For the children there will be playground facilities, including a merry-go-round and swings.

Besides the drive-ins the company has three large modern theatres under construction — at Edmonton (2,000 seats), Lethbridge (1,000 seats), and Prince Rupert (750 seats). The Lethbridge theatre is being built in association with A. W. Shakleford. Plans are also under way for a new theatre at Kamloops, B. C. (1,000 seats).

Earnings for the current year are going favorably, The Post is informed net profit will not be much changed from last year's $3,104,707, or $1.79 a share, just off slightly from the previous year's record.

JACKNIFE GOLD MINES Nov. 28 installment of 250,000 shares at 7½ cents a share and each subsequent installment under agreement with Astral Mining & Resources have been extended for 60 days.

LOOKING FOR SOMETHING DIFFERENT!

THE RCA VICTOR "45"

WILL DELIGHT YOUR BUSINESS ASSOCIATES

Here's precisely the right gift for the business man with an eye to the future, an ear for a grand new musical experience, and an appreciation of scientific wizardry! With RCA Victor's 9-JY Player, he will enjoy the musical standard of the future — from Christmas Day on. A "45" player plus an album of favourite music on "45" will be a long remembered gift.

IT'S FASCINATING!

- Plays the amazing new non-breakable "45" records with virtually no surface noise.
- Plays up to 10 records automatically — more than 40 minutes of distortion-free music.
- Automatic changer is world's most dependable, fastest.

RCA VICTOR

WORLD LEADER IN RADIO...

FIRST IN RECORDED MUSIC...FIRST IN TELEVISION

CUT *YOUR* OPERATING COSTS WITH THE *RIGHT* MATERIALS HANDLING EQUIPMENT

IF YOU are losing time and efficiency in your plant because of your materials handling problems . . .

CONSULT United Steel. Without any obligation, our engineers will make a complete . . .

STUDY of your problem. These trained specialists, backed by years of successful experience and "know-how", will help you find the *right* . . .

ANSWER to your problems, and will recommend the *right* type of mechanical materials handling equipment for your job. Then, if you desire, United Steel will . . .

DESIGN any special equipment necessary, and carry on through all the steps up to and including installation. The . . .

RESULT will be installation designed specifically to handle *your* materials handling problems . . . custom-built equipment that will cut down your operating costs by increasing efficiency and removing production "bottlenecks".

UNITED STEEL CORPORATION LIMITED

DODGE MANUFACTURING DIVISION — CANADIAN MEAD MORRISON

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Shawinigan Sells Bus Line Interest

MONTREAL (Staff) — Shawinigan Water & Power Co. has sold its wholly owned subsidiary, St. Maurice Transport Co., to a group of St. Maurice Valley businessmen, it is announced. Sale price was not revealed.

St. Maurice Transport operates city bus services in Trois Rivieres and Cap De La Madeleine, Que. It was incorporated in 1914 as Three Rivers Traction Co. and began operations the following year. Its street cars were replaced by buses between 1930 and 1933. Last year, the company's 40 buses operated nearly 1.5 million miles and carried 9,410,000 passengers.

INVESTMENTS THIS WEEK

Investors Eye Bank Stocks As Four Show Earnings Up

With the annual reports of the five Canadian banks which end their fiscal year on Oct. 31 now available, investors are eying the group of bank stocks with renewed interest. Four of the banks again show earnings higher in the past year.

Although bank stocks as a group usually show relatively stable market action, they are selling 9.5% above their level of June 16 (the date when the market generally was at its year's low) and in the past couple of weeks have been showing a stronger tone than the market generally. Indicative of the growth trend shown by the bank group of stocks is the fact that they are now selling about 6.6% above their level of May 30, 1946, when the market generally hit its postwar high, whereas stocks generally are 5.8% under their level at that time according to the Dominion Bureau of Statistics security price indices.

Two points are mentioned by analysts in assessing this group. One is the growth trend shown by the assets and earnings of the banks and consequently by their stocks. This growth trend is expected to continue in the current year, if business continues at present levels. The other is the stability and yield of their stocks.

Earnings for the latest available fiscal year, current dividend rate and yield of the eight bank stocks traded on the stock exchanges are as follows:

Bank:	Earned per Sh.* $	Div'd Rate $	Recent Price $	Yield %
Can. Nat.	0.84	0.80	20½	3.90
Commerce	1.21	0.80+0.20†	25¼	3.96
Dominion	1.43	1.00	28	3.57
Imperial	1.59	1.20	31	3.87
Montreal	1.62	0.80+0.20†	27⅝	3.62
Nova Scotia	1.92	1.20+0.30†	38¼	3.92
Royal	1.59	1.00	27⅛	3.69
Toronto	1.96	1.20+0.20†	37	3.78

*Latest fiscal year available.
†Extra.

It will be seen that all of the stocks return an investor better than 3.50% and five of them better than 3.75% at current prices. This is a substantially better return than the 2.70% current yield of Canada's Ninth Victory Loan 3%'s due 1961/66 or the 2.77% yield of the 3% perpetuals, it is pointed out, and yet investors are getting what is regarded as a "blue chip" investment.

Principal factor behind the bank stocks trend has, of course, been their earnings records. Five of the banks end their fiscal year on October 31, namely Imperial, Dominion, Nova Scotia, Montreal and Canadian Bank of Commerce. Their reports are now out and show the following change in earnings per share:

Bank:	Earned per Share 1949 $	1948 $	Inc. $
Commerce	1.21	1.18	2.5
Dominion	1.43	1.60	—10.6
Imperial	1.59	1.38	15.2
Montreal	1.62	1.52	6.6
Nova Scotia	1.92	1.67	15.0

Only the Dominion Bank shows lower earnings per share than in the previous year. In this case analysts note that the increase in the amount written off bank premises over the previous year's write-off was greater than the drop in net profit. The bank's expenditures on modernization of premises were also heavy.

Reports for the other four banks—Royal Bank, Bank of Toronto, Banque Canadienne Nationale and Provincial Bank of Canada—will likely appear either this month or early in January. Investors are awaiting their appearance with interest.

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New Debenture Issue Seen For Anglo-Canadian Oil

A new issue of $4 million 4% convertible debentures of Anglo-Canadian Oil Co. is expected shortly, The Post understands. The new debentures will be offered by Nesbitt, Thomson & Co. at par, it is understood. Proceeds are to provide additional funds for the company's oil exploration and development program.

• • •

Canadian Investt Picture Sketched For U.S. Bankers

U. S. investment bankers were given the Canadian investment picture this week. The occasion was the annual convention of Investment Bankers Association of America currently being held at Hollywood, Fla. The report of the Canadian Securities Committee presented by Stanley E. Nixon of Dominion Securities Corp. reviewed the outstanding factors affecting the investment scene today in Canada.

The Canadian Securities Committee is a new member among the committees which report to the annual convention. For many years, representatives of investment banking firms dealing in Canadian securities have participated in I.B.A. meetings but they presented no formal report in regard to developments or trends affecting this particular branch of the investment market.

Mr. Nixon estimated that foreign investment in Canada at the present time is probably of the order of $7.3 billions, of which $5.4 billions represents United States direct and portfolio investments.

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Dividend Yield Rises For Moss, Lawson Group

The average yield on 122 dividend-paying stocks on the Toronto Stock Exchange, as compiled by Moss, Lawson & Co. on prices of Dec. 5 was 5.96%, up .04 from the previous week, .14 from a month ago and .05 from last year.

The yield on bank stocks was up .08 at 3.80%; was 3.73% a month ago and 3.97% a year ago. Mining stocks were unchanged at 5.76%; last month the yield was 5.50%, year ago 6.54%. The common stock group gained .06 at 6.32%; comparable figures for month ago and last year 6.13% and 5.98% respectively. Preferred and "A" stocks were up .02 at 6.07% which compares with 6.14% last month and 5.70% a year ago.

Burlington Steel Tonnage Volume At Record High

Tonnage of products shipped by Burlington Steel Co. during 1949 will establish a record high, The Financial Post is informed. Earnings are expected to be a little higher than last year when $2.40 a share was reported.

At the moment business is brisk with little or no indication of any easing in demand. Raw materials continue in fairly adequate supply.

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Annual Reports

Algome Steel Corp. annual report presents an attractive appearance with its photographs of various aspects of the company's plant and properties. Particularly striking is the color view of the Bessemer plant. Also instructive are the charts depicting variations in steel ingot production of the company since 1936, employees and payrolls, and increases in the average hourly wage of employees since 1936.

Shareholders, however, are still not given any information regarding profits earned by the subsidiaries—Algoma Ore Properties, Cannelton Coal & Coke Co. and Lake Superior Coal Co.—nor are these figures consolidated with those of the parent company. Since it is stated that these companies have had successful years, it can only be assumed that consolidated net profit of Algoma Steel for the year ended April 30, 1949, would be considerably higher than the $4,035,956 indicated for the parent company.

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Need More Information On Ogilvie Flour Mills

One company which investors find difficult to assess and from whom they would like more detailed information is Ogilvie Flour Mills Co. In addition to operating its flour-milling business, on which its officers comment fairly fully, it has a sizeable investment portfolio on which very little information is given shareholders in the annual report.

For the year ended Aug. 31, 1949, Ogilvie Flour Mills shows earnings of $593,172 from operations, after depreciation but before debenture interest, provincial and municipal taxes, legal expenses and remuneration of officers and directors. This is nearly 21% less than the $750,052 it received as investment income and dividends from investment subsidiaries.

Ogilvie's balance sheet shows investments in marketable securities and in wholly owned subsidiaries (the assets of which consist of marketable securities) at a book value of $2,804,348, but a footnote indicates they have a fair market value of $9,824,000—the difference of over $7 millions being equivalent to nearly one third of book value of total assets. Dividends from the shares of these investment subsidiaries (which have a book value of $155,000) totalled $442,000.

In addition to the above, Ogilvie Flour Mills also has $1,369,241 "Investments in subsidiary companies" and $188,740 "Other investments and mortgages, less reserve."

No information is given shareholders as to the actual investments held or the actual earnings of the subsidiaries. Neither are they given separate statements for the subsidiaries.

In cases like this it would seem only fair for shareholders to be given more information on the investments held and on the subsidiaries.

SHERBROOKE TRUST CO., Sherbrooke, Que., net profit for year ended Sept. 30, 1949, was $35,449, off 2.7% from $36,448 in previous year. Gross income reached a new record, but increased operating costs reduced net profit slightly, states President Chenier Picard. Also at record level was estates account which reached $8,956,540 compared with $8,446,973 at Sept. 30, 1948. Mortgages were reported at $1,830,120 ($1,823,602) and interest arrears said to be the lowest in over 30 years. Total assets amount to $3,652,148 ($3,698,391).

	1949	1948
Liabs. to public, etc.*	$3,028,346	$3,092,038
Shareholders' equity	623,802	606,353
*Secured by:		
Mortgages	1,830,120	1,823,602
Real estate	4,772	4,716
Office premises	99,300	100,413
Liquid assets‡	1,717,956	1,769,660
Total	3,652,148	3,698,391
‡Including bonds.		
Estates Account	8,956,540	8,446,973
Earned per Share	$11.82	$12.15
Paid	6.00	6.00

Public Utility Earnings

MEXICAN LIGHT & POWER CO.

	July 1949	July 1948
Gross Op'g Earnings	$1,415,657	$1,758,390
Exp., incl. deprec.	1,367,102	1,684,410
Int. & S.F. Charges	171,000	185,000
Net Deficit	122,445	111,020

	Seven Months to July 31 1949	1948
Gross Op'g Earnings	11,378,249	12,848,304
Exp., incl. deprec.	10,356,269	11,888,781
Int. & S.F. Charges	1,247,000	1,295,000
Net Deficit	225,020	335,487

Figures subject to final adjustment when annual accounts made up.

Open-End Invest. Funds To Get Dividend Tax Credit

MONTREAL (Staff) — Shareholders of Canadian mutual investment companies will be able to claim their 10% tax credit on dividends received in the 1949 taxation year, according to present indications.

However, to allow shareholders to become eligible for the tax credit on dividends paid out by mutual funds, the investment companies must first elect to be taxed, under new legislation now going through the House of Commons.

Under existing tax law, investment fund companies of the "open-end" type are exempt from Canadian income taxation because they are regarded simply as managers of securities for a number of individuals. To have this exemption, one of the qualifications is that they must pay out at least 85% of their income in dividends within 120 days of the year end.

Because they were exempt from taxation, except by foreign governments, shareholders would be unable to claim their 10% tax credits on dividend income from this source. However, Bill 176, an act now before the House amending present tax laws, provides that companies of the open-end type may elect to be taxed, thus removing the difficulty.

How Tax Will Work

The advantage of the new provision will vary according to the company and its portfolio. When it becomes taxable, it will pay income taxes on bond and other interest items. The smaller the proportion of bonds held, the smaller will be the amount of tax payable, since income received by one corporation through dividends of other corporations are not taxable in the hands of the recipient company.

For instance, if a company has a net profit of $100,000 of which $5,000 is attributable to bond interest (after deducting expenses on a pro rata basis), Canadian income tax will be paid only on the $5,000. They can also offset the amount of the tax by the amount of withholding taxes paid on U. S. or other foreign securities.

Thus a mutual fund shareholders' share of company income tax would normally be considerably less than the tax credit he will receive. In the above case, if the company paid out $85,000 in dividends, total tax credit would be $8,500, assuming all shareholders had incomes which were taxable. On the other hand, the income tax would be only about $500, even if there were no withholding taxes offsetting it.

As far as is known, the three Canadian investment companies of the open-end type (Canadian Investment Fund, Commonwealth International and Corporate Investors) will take advantage of this opportunity to allow their shareholders to claim the tax credit.

Under Bill 176, the companies are given 90 days from the start of the taxation year in which to elect to pay tax. For the 1949 taxation year, they must make their choice within 90 days of the act coming into force. They must also pay out 85% of their income (after taxes paid to other governments), by the year end, without the previous 120 days' grace. Since the three funds portfolios are mostly in stocks rather than bonds, it is expected that they will elect to be taxed.

Originally, representations were made to the government to allow shareholders of the mutual funds to claim tax credit according to the proportion of their dividends which was attributable to stocks. Another suggestion has been that mutual funds should pay a straight 10% income tax and then allow shareholders to claim the 10% credit. However, some observers here hold that the scheme as presented in Bill 176 is simpler in that it leaves shareholders with no worries as to what percentage credit to claim on individual dividends, and at the same time it doesn't require setting up a special tax rate for mutual funds.

Short Interest Lower on T.S.E.

Semimonthly short position report of the Toronto Stock Exchange as of Nov. 30 shows aggregate short positions, eliminating odd lots, on the books of member firms at 421,150 shares of 143 issues, compared with 441,006 shares of 146 issues on Nov. 15.

Largest net changes from previous compilation in individual mining stocks were:

Stock:	Change	Stock:	Change
Osisko	+19,100	Norseman	—5,000
Eldona	—7,000	Queenston	+4,500
Joliet	+7,000	T'mpson L.	+4,000
N. Norzone	—6,000	Tower Pete.	—4,000
Upper Can.	—5,500	Cons. Lebel	—3,500

Largest changes in industrials were:

Stock:	Change	Stock:	Change
Bell Tele.	—1,101	Can. St'mship	—275
C. & D. Sugar	+330	Can. Brewer.	—265
Imperial Oil	—300	Int. Paper	—220
Abitibi	—275		

Here is the complete short position.

Stock:	Shares	Stock:	Shares
Abitibi	3,150	Joliet-Que.	15,500
Algoma Steel	500	Kerr-Addison	1,625
Aluminium	65	Kirkland Lake	2,200
Anacon Lead	1,500	Labrador	4,650
Ang.-Cdn. Oil	200	Lake Dufault	2,400
Argus Corp.	775	Lake Lingman	500
Arjon	1,000	Lake Shore	200
Atlantic Oil	1,800	Lamaque	100
Atlas Steel	1,100	Leitch	1,500
Aumaque	3,000	Little L. L.	1,000
Base Metals	7,500	Macassa	2,600
Bell 'Phone	25	MacDonald	9,500
Bidgood Kirk.	500	MacFie R. L.	500
Bonetal	3,500	MacL. Cock.	900
Bordulac	500	Madsen R. L.	800
Boymar	4,500	Malartic G. F.	4,100
B. A. Oil	150	Massey-Harris	1,050
B. C. For. Pr.	700	McColl-Front.	475
Buffalo Ank.	2,200	McIntyre	250
Calgary & Ed.	1,400	McKenzie R L	7,500
Callinan F. F.	500	Mining Corp.	800
Campbell R. L.	500	M. & O. Paper	200
Can. Cement	300	Mosher	1,000
C. & D. Sugar	330	Negus	800
Can. Nor. Pwr.	125	New Calumet	1,000
Can. St'mships	575	New Goldvue	1,500
Cdn. Brewer.	1,900	New Jason	3,700
Cdn. I. Alc. vot.	525	New Marlon	4,000
C. P. R.	995	New Norzone	500
Cdn. Vickers	100	Nicholson	7,400
Chesterville	14,700	Noranda	50
Cochenour	1,400	Norlartic	1,000
Cockshutt Plow	200	Normetal	6,200
C. Duquesne	3,600	Norseman	1,000
C. Lebel Oro	9,000	North Inca	5,000
Cons. Smelters	505	O'Brien	300
Cons. Paper	200	Okalta Oil	200
Croinor	5,000	Orange Crush	600
Dalhousie Oil	2,500	Osisko Lake	55,300
D'Aragon	500	Pacific Pete.	1,700
Decalta	500	Pend Oreille	4,800
Delnite	500	Porc. Reef	2,500
Discovery	500	Powell Rouyn	2,500
Dome Mines	400	Preston E. D.	5,000
Dom. Coal pr.	200	Queenston	4,500
Dom. Magnes.	100	Quemont	150
D. Stl. & C. B	1,450	Reeves MacD.	1,000
Donaldo	2,500	Roxana	1,500
Donnacona	200	Royalite Oil	200
E. Malartic	500	Roybar	2,000
East Sullivan	6,700	San Antonio	1,700
Elder	500	Sherritt G.	30,000
Eldona	12,700	Silanco	4,000
Eureka	3,800	Silver Miller	3,500
Falconbridge	100	Sladen Mal.	2,000
Fanny Farmer	70	Stand. Pav. pr.	25
Federal Grain	600	Starr. Olsen	5,500
Ford Motor A	430	Steep Rock	8,100
Fraser Cos.	200	Sullivan	1,000
Giant Y'knife	6,600	Taku River	7,900
Globe Oil	1,000	Teck-Hughes	500
Golden Man.	15,600	Thompson-L.	4,000
Gt. Lakes Pap.	200	Torbrit Silver	1,000
Hard Rock	1,000	Tower Pete.	500
Hasaga	5,000	Union Gas	100
Hosco	1,000	Un. Keno Hill	7,700
Hudson Bay	350	Upper Can.	19,500
Imperial Oil	1,000	Ventures	900
Int. Nickel	585	Waite Amulet	1,000
Int. Paper	920	Walkers G & W	500
Int. Uranium	2,000	Winnipeg Elec.	950
Jaculet	2,500	Total	421,150

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

MURPHY PAINT CO. net profit for year ended Aug. 31, 1949 was $158,753, off 51.2% from previous year's $325,199. Decline is attributed to reduced sales and to inventory adjustments. The company was granted an increase in its standard profits, applicable to the entire period of the Excess Profits Tax Act, resulting in a net tax saving of $156,796 which has been added to surplus.

For the first three months of the current fiscal year, sales have shown encouraging improvement, states President Harry W. Thorp and, if this increase is maintained, profits should show a satisfactory increase over 1949. Control of all expenses, through greater efficiency in manufacturing, merchandising and other phases of operations, is being given paramount consideration.

The Toronto Long Branch plant continues to supply all Pittsburg Paints distributed in Canada by Hobbs Glass Ltd.

CONS. INCOME ACCOUNT Years Ended Aug. 31:	1949	1948
Net earnings	$450,733	$720,030
Less: Depreciation	164,932	156,781
Deb. int.	13,100	13,750
Bank loan int.	22,248	......
Inc. tax res.	91,700	224,300
Net profit	158,753	325,199
Less: Com. divd.	123,840	82,560
Surplus for year	34,913	242,639
Earnings per Share and Dividend Record:		
Common	$1.54	$3.15
Paid	†1.00+0.20	0.80

†Consists of 5 quarterly 20-cent payts.

CONDENSED CONS. BALANCE SHEET As at Aug. 31:	1949	1948
Cash	$271,920	$179,605
Accts., etc., rec.	702,710	666,840
Inventories	1,302,412	1,380,713
Total curr. assets	2,277,042	2,227,167
Prep. exp.‡	28,947	44,178
Ref. EPT	13,825	61,822
Misc. assets	26,473	33,560
Fixed assets*	1,305,870	1,413,805
Total assets	3,652,157	3,780,532
Bank loan	350,000	405,100
Accts., etc., pay.	337,789	382,729
Taxes pay.	62,746	240,930
Divds. pay.	20,640	......
Total curr. liab.	771,175	1,028,759
Funded debt	375,000	437,500
Capital stock	868,600	868,600
Earned surplus	†1,637,382	1,445,673
*After depr. of	761,777	590,872

‡Incl. in curr. assets in co's report.
†Includes $156,796 credit from prior yrs. tax adjust.

Working capital	1,505,867	1,198,408

Industrial Share Volume Increases in Montreal

Trading in shares other than mining shares continued to expand during November on the Montreal Stock Exchange and Montreal Curb Market. Turnover during past month amounted to 1,328,151 shares, the highest level since May last year. In October, 1,213,987 shares changed hands while in November a year ago total was 1,117,159 shares.

Trading was lighter in the mines and western oils during the period, with only 3,879,890 shares transacted compared with 4,226,630 in October and 7,592,619 shares in November, 1948. Combined total was 5,208,041 against 5,440,617 shares in previous month and 8,709,778 shares last November.

STADACONA MINES (1944) has called for tenders for a diamond drilling contract to investigate an anomaly indicated on its Duprat twp. property which lies to the northeast of claims under option to Noranda Mines.

ATHONA MINES (1937) Dec. 1 installment of 50,000 shares at 15 cents a share and each subsequent installment under agreement with Yarwood Ltd., has been extended for 60 days.

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Auction Sale of
Vegetable Canning Operation Property and Equipment
At Ladner, British Columbia.
Thursday, December 15, 1949.

Pursuant to the powers of sale contained in a certain Deed of Trust and Mortgage dated for reference the 15th April, 1943, and made between Ladner Canning Co. Ltd., of the one part, and The Royal Trust Company of 626 West Pender Street, Vancouver, B.C., of the other part, a copy of which said Deed of Trust and Mortgage will be produced at the time of sale, there will be offered for sale BY PUBLIC AUCTION on Thursday, the 15th day of December, 1949, at the hour of 2.00 o'clock in the afternoon, on, in or about the premises of said Ladner Canning Co. Ltd., on Fairview Road, in the Town of Ladner, Province of British Columbia, by Guilding & Folley Ltd., of Vancouver aforesaid, Auctioneers, the following described properties, namely:

FIRST: Real Property:

All and singular those certain parcels or tracts of land and premises situate, lying and being in the District of New Westminster in the Province of British Columbia, more particularly known and described as follows:

1. Part 0.29 of an acre more or less of Lot 106 Group 2 as shown outlined red on sketch deposited No. 7079 Municipality of Delta.
2. Part (the Southerly 2 acres more or less) of Lot 10 of Lot 106 Group 2 Map 2852 as shown outlined red on sketch deposited No. 5729 Municipality of Delta.
3. Part (3.243 acres more or less) of Lot 106, Group 2 as shown outlined in orange color on sketch deposited No. 3229, Municipality of Delta.
4. Part (0.072 of an acre more or less) of Lot 106, Group 2 as shown outlined red and lettered "Y" on sketch No. 5363, Municipality of Delta.

SECOND: Personal Property:

2 pea graders; 1 pea elevator boot, chain and buckets; 7 picking tables; 1 twelve-foot pea blancher; 3 goose neck conveyors; 3 pea filler bins; 1 rod washer; 2 wire mesh pea washers on frame; 1 Hansen pea filler; 1 can elevator and track; 4 pea storage bins; 12 hopper trucks; 1 vegetable peeler; 1 vegetable dicer; 8 vertical retorts, including gauges, fittings, thermometers, safety valves; 41 retort baskets; 2 sections roller conveyor; 1 tram for retort baskets; 1 Monitor pea cleaner (Huntley); 1 pump with jack; 1 large platform scales; 1 small platform scales; 1 small scale; 1-125 H.P., steam boiler and fittings 1200 and brick.

1 duplex pump; 1 fuel oil storage tank; 1 centrifugal pump with motor attached; 2 centrifugal pumps; 1 Half H.P., Motors; 1 Electric hoist for retorts; 2 temperature controls; 2 brine tanks with coils; 1 air compressor with storage tank; 1 steam exhaust box; 2 filler storage bins; 1 wood pipe line to river; 1 Viner mover truck; 3 two-wheel trucks; line shaft and pulleys; pipe fittings and valves; 1 adding machine; 2 typewriters; office furniture and fixtures; 1 pea skimmer; tools; underground piping; 1 Reeves variable speed; 2 coal stoves; power wiring, inside and outside; galvanized hoppers and spouts from graders; 1 smoke stack; 1 oil burner system; 1 boiler feed pump; 2 pea loaders; rubber hose and belting; electric light wiring; miscellaneous items.

THIRD: Personal Property:

Certain additional sundry items of personal property, equipment, machinery, etc., now situate on or about the said premises of said Ladner Canning Co. Ltd.

The above mentioned parcels of real and personal property may be inspected at the premises of said Ladner Canning Co. Ltd., Fairview Road, Ladner, B.C., from 10 a.m. to 4 p.m. on any day save Saturdays and Sundays between the date of this advertisement and the date of sale.

TERMS OF SALE:

(a) The whole of the three above-mentioned parcels of property will together be offered for sale en bloc.

(b) No sale shall be made at a price less than such reserve bid as may have been fixed by the said The Royal Trust Company prior to the date of the said auction sale.

(c) Ten (10%) per cent of the purchase price shall be paid down in cash to the auctioneers on the acceptance of a purchaser's bid; a further twenty-five (25%) per cent of the purchase price shall be paid in cash against delivery of title; and the balance, i.e., sixty-five (65%) per cent of the purchase price shall be paid in cash against delivery of title or, at the purchaser's option, in not more than five (5) equal annual instalments together with five (5%) per cent interest per annum on the balance of purchase price, the first of such annual instalments to be paid on the first anniversary of date of delivery of title.

The Royal Trust Company
626 West Pender St., Vancouver, British Columbia

The Wawanesa Mutual Insurance Company
ORGANIZED IN 1896
Admitted Assets .. $9,273,712.41
Surplus .. 3,596,934.20
Dom. Govt. Deposit 2,447,256.33
Write for Financial Statement
Head Office WAWANESA Man. — Eastern Office TORONTO Ont.
Branches at Vancouver, Saskatoon Winnipeg and Montreal

$1,060,336.02
CITY OF ST. CATHARINES ONTARIO
2½%, 3% AND 3¼% COUPON DEBENTURES
SEALED TENDERS endorsed "Tenders for City of St. Catharines Debentures," will be received by the undersigned until five o'clock p.m. Monday, 12th December, 1949, for the purchase of the following debentures:
$ 641,877.00 Public School 3% Serial 1-20 Years.
$ 258,459.02 Local Improvements 2½% Equal Annual Instalment Principal and Interest 1-10 Years.
$ 135,000.00 Fire Hall 3¼% Equal Annual Instalments Principal and Interest 1-20 Years.
$ 25,000.00 Public School 2½% Serial 1-10 Years and 3% Serial 11 to 20 Years.
$1,060,336.02
For further particulars and Financial Statement apply to the undersigned.
Finance Department
Municipal Building
St. Catharines, Ontario
3rd December 1949
STUART K. WATT,
Commissioner of Finance.

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The "Thomson Group" of daily newspapers includes:

	Established
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Welland-Port Colborne Tribune	1863
The Chatham Daily News	1865
The Daily Sentinel-Review, Woodstock	1886
Sarnia Canadian Observer	1917
The Northern Daily News, Kirkland Lake	1922
The Timmins Daily Press	1934
The Quebec Chronicle-Telegraph	1764
Moose-Jaw Times-Herald	1889

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Price: 100 and interest, to yield 4%
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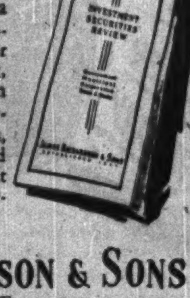

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MANAGED INVESTMENT

Compton Makes "Switch" From Abitibi Pfd. to Com.

Indications of a more liberal dividend policy on the common stock of Abitibi Power & Paper Co. and purchase by company in open market of Abitibi preferred shares prompts stock switch by Mr. Compton's investment manager.

The Compton Fund Transactions

No. of Shares	Security	Cost Price	Amount
Purchase:			
5	Abitibi Power & P. (com.)	$22.75	$230.63
5	Abitibi Power & P. (com.)	22.875	
Sales:			
10	Abitibi Power & P. (pref.)	$22.875	$225.80

Compton's Manager Says:

In accordance with orders previously filed with The Financial Post, above switch has been completed during period from Nov. 15 to Nov. 26. Although there is no change in Mr. Compton's prospective income, there was a net profit, in cash, on sale of these shares, amounting to $18.30.

It should be noted that Mr. Compton still holds 25 shares of Abitibi preferred stock in his investment portfolio. Switch from preferred to common shares was recommended on two counts:

First, the announcement by President D. W. Ambridge that company directors have authorized purchase in the market of the outstanding preferred shares for retirement, as and when favorable opportunities arise, and to the extent that the cash position from time to time justifies. Provisions of the $1.50 preferred stock state that the shares may be purchased for cancellation in the open market, or by tender, at a price not exceeding redemption price ($25 per share plus dividends) and cost of purchase.

Secondly, the public has before it at least one indication which suggests that the company may now be planning the pursuit of a more liberal dividend policy toward the common stockholders. With the final payment on Dec. 1 of 25c a share, these people will have received $1 a common share, in all, on the common stock during 1949. But it has already announced that, on Jan. 1 next, the company will begin by paying 50c a share on the common.

As a shareholder of Montreal Locomotive Works, Mr. Compton should know that the company has declared, in addition to the regular quarterly dividend of 40c a share on the common stock, an extra dividend of 25c a share, both payable Jan. 3.

Net earnings of Hiram Walker-Gooderham & Worts Ltd. for the fiscal year ended Aug. 31 amounted to $23,643,669, equal to $8.19 a share on the common stock. This compares with net earnings of $24,870,572 (equal to $8.62 per share) in previous year when a non-recurring dividend of $1,081,806 was received from Canadian Industrial Alcohol Co.

As between Dec. 15, 1944, when Mr. Compton's account was taken over, and Nov. 26, 1949, the following is the broad change in the position:

	Dec. 15, 1944 Principal Sum	Nov. 26, 1949 Principal Sum
Bonds	......	$1,858.60
Pref. Stocks	$6,661.25	4,736.50
Com. Stocks	925.00	5,836.29
Mining Stocks	1,750.00	1,413.50
Cash	663.75	50.70
	10,000.00	13,895.59

Col. Cellulose Plant Program Ahead of Target

Construction work on the new dissolving pulp mill of Columbia Cellulose Co. on Watson Island near Prince Rupert, B.C. is several weeks ahead of schedule. The general building program is now entering the second and major phase which involves completion of the building shells for the various structures.

Approximately 90% of the roof slabs and 20% of the wall panels planned for the mill have already been fabricated at the plant site and are ready for assembling.

Total capital requirements for new project is estimated about $31.8 millions. The plant will have a capacity of 200 tons a day of high alpha pulp. Parent company is Celanese Corp. of America.

Bond Yields Off Slightly

The 40-bond yield average as compiled by McLeod, Young, Weir & Co., on the basis of bond prices as at Nov. 30, 1949 was 3.32%, slightly lower than the composite average of 3.37% reported Oct. 31.

Yield average for all groups was fractionally lower, with the exception of the yield average for the provincial bond group which remained unchanged. Current bond yield average compares with 3.42% at the end of May, 1949, and 3.42% at the end of November, 1948. Here is the performance of the yield average for each of the four groups of separate bond issues comprising the 40-bond yield average.

	Nov. 30 1948	Oct. 31 1949	Nov. 30 1949
10 Municipals	3.50%	3.56%	3.50%
10 Provincials	3.18%	3.07%	3.07%
10 Utilities	3.46%	3.32%	3.28%
10 Industrials	3.55%	3.53%	3.44%
40 Bond Average	3.42%	3.37%	3.32%
Ave. Maturity	16 yrs. 7¼ mos.	15 yrs. 11 mos.	15 yrs. 10 mos.
Dom. 3% 1961/66	2.94%	2.67%	2.73%

NOTE: Yields on Dominion and Provincial issues selling at a premium are calculated to the call dates.

MSE Reports Shorts Higher

MONTREAL (Staff) — Montreal Stock Exchange report shows short position of 19,395 shares of 44 issues at Nov. 30 as compared with 18,781 shares of 45 issues on Nov. 15. Chief changes are:

MONTREAL STOCK EXCHANGE

Abitibi	+450	Bell Tele.	—276
Do. $1.50 pf.	—100	C.S.L.	+625
Algoma Steel	—375	Molson's	+150

Short position on Montreal curb market totaled 232,185 shares of 36 issues on Nov. 30 against 192,715 shares of 34 issues on Nov. 15. Chief changes are:

MONTREAL CURB MARKET

Anacon	+500	Kerr-Add.	+200
Ascott	+20,000	Macdonald	—1,000
Bouzon	+4,000	New Goldvue	+500
Candego	—1,000	Norlartic	+3,000
Comm. Alco.	—2,000	Normetal	—800
Duvay	+1,000	Osisko	+500
East Sull.	+4,500	Sherritt G.	+11,500
Eldora	—500	Steep Rock	—1,000
Fleet	+500	Un. Asbestos	—6,000
Gaspe Oil	+1,400	Upper Can.	—300
Joliet Que.	+1,000		

CITY OF BRANTFORD
TENDER FOR DEBENTURES

Sealed Tenders addressed to the undersigned at the City Hall, Brantford, Ontario, marked "Tender for Debentures," will be received up to five o'clock P.M., December 12th, 1949, for the purchase of the following Debentures:—

By-Law 3150—$117,000.00 10 Year Serials 2½%

By-Law 3149—$246,000.00 20 Year Serials 3%

These Debentures will be dated December 31st, 1949, and will be issued in denominations to suit the purchaser. Interest payable half-yearly.

Payment will be required in Brantford funds on delivery of Debentures, which must be accepted on or before December 31st, 1949.

Tenders will be opened in the City Council Chamber at a meeting of the Finance Committee, at the City Hall, Brantford, on December 12th, 1949, at 7.00 P.M.

These Debentures of City of Brantford are for the following purposes:—

$117,000.00 for a Trunk Sewer.

$246,000.00 for Public Schools.

The final maturity of each issue will be callable.

The lowest or any Tender not necessarily accepted.

E. A. DANBY,
City Treasurer.

City Treasurer's Office,
Brantford, Ontario.
December 1st, 1949.

$6.5 Million Offer Goes For Dom. Square Bldg.

MONTREAL (Staff)—An offer of $6.5 millions for the Dominion Square office building in the heart of Montreal's retail shopping district will be put before a special meeting of Dominion Square Corp. shareholders next Tuesday. The offer has been accepted by directors subject to confirmation by the meeting of shareholders who, it is estimated, would receive $83-$85 per share on liquidation.

The building was completed in 1930 at a cost of about $8.4 millions; covers 40,600 sq. ft. at the corner of Peel and St. Catherine Sts.

The offer is made by Collier, Norris & Quinlan Ltd., Montreal investment firm, for the land, building, fixtures, etc., at the corner of St. Catherine and Peel Sts. Under the terms of sale, the new owners would be permitted to use the name "Dominion Square Corp." or any similar name. The present company agrees, if necessary, to change its name. If the deal is completed, company is to pay Collier, Norris and Quinlan Ltd. $195,000.

Reorganized in 1939

Three years after the building was completed, the company ran into difficulties and following nonpayment of interest that year, a bondholders' protective committee was formed. A reorganization plan was not submitted and approved, however, until 1939 when First Mortgage bondholders took over complete ownership without recourse to bankruptcy procedings.

Holders of the $5 millions 6% First Mortgage bonds received $750 4% 20-year First Mortgage bonds and 10 no-par-value common shares for each $1,000 bond held. Holders of the $2,971,000 General Mortgage bonds cancelled their claims in return for payment of $150,000 by the company, also made available all the old preferred and common.

Earnings have shown a gradual increase in recent years, totaled $132,280, equal to $2.82 on the 46,900 no-par-value shares in the fiscal year ended April 30, 1949. There were $2,599,250 4% first mortgage sinking fund bonds outstanding at April 30.

The purchaser has an option to buy at book value the garage and equipment owned by Dominion Square Corp's subsidiary, Peel Windsor Garage Inc., which has parking space for 600 cars.

The earnings picture has improved since partial removal of controls May 1, 1947. Leases signed at that time have been renewed at still higher rates this year, and additional net earnings can be anticipated for the current fiscal year, President Andrew Fleming stated in June.

For those holders of first mortgage bonds who have held them right through since the 1939 reorganization, the proceeds from the sale of the building will enable them to receive about $1,580, not including interest, per old $1,000 bond, on the basis of the $750 4% bond plus the 10 shares of common stock. Common shares sold as low as $1½ a share in 1943, traded in the $57-$35½ range in 1948.

Company auditors have estimated that the amount that would be available for distribution on the common if the deal goes through, would be a minimum of $83.23 and a maximum of $85.09.

MAGNET CONSOLIDATED MINES experienced a loss of $1,891 in 1948 after inclusion of $8,838 cost-aid in income with working capital of $85,257 at the end of the year. On Aug. 25, 1949, a cheque for $95,658 was received from the federal government covering additional cost-aid for 1948 due to classification of the winze area as a new mine, the "Magenta."

Total cost-aid claims for 1948 are $118,587.

President J. Dumaresq Smith reports that on a November visit to the property, the last 64 ft. of drifting west on the 14th level had averaged 0.80 oz. uncut or 0.60 oz. cut over 3.1 ft. The next round widened assaying 1.10 oz. over 5.5 ft. and the round after was 1.17 oz. over 8 ft. West faces on the 12th and 13th levels were also in ore with development to be resumed shortly.

Mine manager J. M. Thompson has raised tonnage to 100 tons daily and expects to carry all costs, including development, at this rate.

INCOME ACCOUNT

Years Ended Dec. 31	1948	1947
Bullion sales	$287,267	$303,621
Less: Oper. & gen. exp.	245,851	439,437
Oper. loss	*41,416	135,816
Less: Misc. inc.	2,055	3,250
Cost aid	8,838	......
Add: Deprec.	13,712	31,045
Invest. w/d	7,611	23,260
Prep. dev. w/o	32,877	......
Net loss & def.	1,891	186,871
*Profit.		
Earned per Share	d$0.0063	d$0.062
None paid.		

Note: 1948 results subject to adjustment due to extra cost aid benefits as outlined above.

CONSOLIDATED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & metal	$25,506	$39,349
Investments	28,215	35,850
Accts., etc., rec.	307	1,720
Inventories	55,372	71,621
Total curr. assets	109,400	148,540
Deferred chgs., etc.	14,250	13,329
Prep. dev.†	148,429	97,878
Mining prop.	128,257	128,257
Bldgs. & equip.*	75,705	89,402
Total assets	476,041	477,406
Total curr. liabs.	24,143	23,617
Capital stock	442,504	442,504
Earned surplus	9,394	11,285
†After amort.	491,440	458,563
*After depr.	389,315	375,603
Working capital	85,257	124,923

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities

DOMINION

Government of Canada Treasury Bills—Due Feb. 24, 1950, $75,000,000, issued Nov. 24, 1949. Sold at $99.87263 to yield .512%.

MUNICIPAL

City of Lethbridge, Alta.—4%, 20-year installment debentures, $94,249.56, issued Nov. 30, 1949. Sold at $104.818, cost basis 3.48% to a syndicate composed of Midland Securities Ltd., Anderson & Co. and Ringland, Meredith & Co. Ltd.

Township of Ancaster, Ont.—3½% debentures, due Dec. 1, 1950-69, $42,000, issued Nov. 21, 1949. Sold at $102.41 to Dominion Securities Corp. Ltd.

Township of Crowland, Ont. — 3½% debentures, due Dec. 1, 1950-69, $45,000, issued Nov. 22, 1949. Sold at $101.606 to Gairdner & Co. Ltd.

Board of School Trustees of Fredericton, N.B. — 3½% debentures, due Dec. 1, 1950-74, $450,000, issued Nov. 26, 1949. Sold at $99.84 to Stanbury & Co., F. J. Brennan & Co. Ltd. and Gairdner & Co. Ltd.

Township of Etobicoke, Ont.—3½% debentures, due Dec. 15, 1950-69, $927,950, issued Nov. 28, 1949. Sold at $100.589 to Wood, Gundy & Co. Ltd., Royal Bank, Fairclough & Co. Ltd. and Burns Bros. and Denton Ltd.

City of New Westminster, B.C.—2½%, 2¾%, 3% and 3¼% debentures, due Dec. 1, 1950-52-57-77-79, $249,268, issued Nov. 28, 1949. Sold at $98.05 to McMahon & Burns Ltd. and Bank of Montreal.

Township of Scarborough, Ont. — 3¾% debentures, due Sept. 1 and Nov. 1, 1950-69, $300,000, issued Nov. 28, 1949. Sold at $99.276 to Gairdner & Co. Ltd.

Town of Dresden, Ont.—3% debentures, due Nov. 15, 1950-59, $8,000, issued Nov. 10, 1949. Sold at $100 to Canadian Bank of Commerce.

Protestant School Commission of Arundel, Que.—2½%, 3¼% and 3½% debentures, due Aug. 1, 1950-59-64, $110,000, issued Nov. 28, 1949. Sold privately at $96.002.

School Commission of the Village of Coteau Landing, Que.—3½% debentures, due Oct. 1, 1950-69, $25,000, issued Nov. 28, 1949. Sold privately at $99.

School Commission of the Township of Grantham-West, Que.—4% debentures, due Jan. 1, 1951-60, $6,000, issued Nov. 28, 1949. Sold privately at $100.

Township of Hinchinbrook, Que. — 3% debentures, due Aug. 1, 1950-57, $16,000, issued Nov. 28, 1949. Sold privately at $99.50.

School Commission of St. Alexis, Que.—3% and 3½% debentures, due July 1, 1950-52-69, $50,000, issued Nov. 28, 1949. Sold privately at $99.27.

Municipality of St. Irene, Que. — 3½% debentures, due Nov. 1, 1950-79, $18,000, issued Nov. 28, 1949. Sold privately at $100.

Township of Whitton, Que.—3½% debentures, due July 1, 1950-64, $47,000, issued Nov. 28, 1949. Sold privately at $100.

CORPORATE

Sun Publishing Co. Ltd.—4½% debentures, due Nov. 1, 1969, $450,000, issued Nov. 28, 1949. Sold at $100 to the Western City Co. Ltd. and Pemberton & Son, Vancouver, Ltd.

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Box 243, Eganville, Ont.

Ryland New Again Battles His N.S.P. Shareholders

After another stormy 3½ hour annual meeting, during which tempers were on edge at times, shareholders of National Sewer Pipe Co. felt that they were no farther ahead than before the meeting. This was the fourth consecutive annual meeting which was, to put it mildly, spirited.

President Ryland H. New remained adamant, despite requests of class "A" shareholders for a payment on account of their $36.60 dividend arrears and for appointment of a third party to arbitrate on a reorganization plan.

"I am not prepared to jeopardize my interest in this company by having a third party in as an umpire," Mr. New stated. He did, however, say he might consider one in an advisory capacity. He repeatedly stated that he felt any reorganization plan would have to be worked out between the two groups of stockholders—the common and the class "A"—despite shareholders' replies that "you are the common stock."

Mr. New agreed to set a date on which he would meet with members of the Class A shareholders Protection Committee and discuss a plan to eliminate class A dividend arrears which would be mutually acceptable to the class A shareholders and the common shareholders. He was to advise the committee of the date this week.

Management Points

In commenting on the financial statements, Mr. New said;

(1) In the last fiscal year, sales volume was about 7½% up and production 10 1/3% up from the previous year.

(2) The backlog of orders has been greatly reduced.

(3) He hopes but isn't sure that production can continue on the level of the past year.

(4) The market for concrete pipe has been lower in the past year. The industry as a whole is down 30% according to government figures and their concrete pipe business was off about the same percentage.

(5) Investments by groups are 24% in government bonds, 2% in bank stocks, 8% debentures, 12% utilities, 25% preferred stocks, 12% industrial common stocks, 8% mining stocks, 3% oil stocks and 6% miscellaneous. This includes an investment in investment trust shares broken down by industries in which it is invested.

Committee's View

J. L. Stewart of Fraser, Beatty, Tucker, MacIntosh & Stewart, counsel for the protective committee, then asked Mr. New certain questions which included the following:

(1) On what basis did the directors decide "that, in the best interests of the company, they would not be justified in authorizing a distribution on account of arrears of dividends at this time" . . . ?

Mr. Stewart pointed out that earnings were equal to $6.38 a class A share but only $1.20 a share was paid; that working capital was equal to $59.59 and cash investments to $60.18 a class A share; that earned surplus was over $5 a share; that the Committee had written Mr. New four times since March 25 (Mr. New questioned this) offering to discuss the matter with Mr. New but he "at no time has attempted to hold a meeting"; that the Committee submitted a further plan to Mr. New on Nov. 29 after it saw the 1948-49 report.

(2) When was the management prepared to deal with the plan suggested on Nov. 29?

(3) What were the results of the appraisal Mr. New had said was being made last year? "If, as I think, it will show that the fixed assets are understated, then the company's position is much better than shown," Mr. Stewart commented.

(4) Why was the figure for sundry revenue so low?

(5) Was the employee's pension fund set up, who were the trustees, and had the $50,000 referred to in the auditors' report been transferred to them?

Mr. Stewart also stated that on Oct. 7 the Protective Committee had written Mr. New suggesting that on Dec. 15, not only should the current quarter's dividend be paid but that earnings available for dividends should be used to reduce arrears on the "A" stock.

The President's Reply

In his replies to these and other questions Mr. New made the following points:

(1) The directors were elected to manage the company and they acted on their best judgment.

(2) The plan suggested on Nov. 29 was of such import that it could not be discussed in a hurry. A meeting could be mutually arranged. On being pressed he agreed to set a date the first of this week.

(3) Mr. New refused to outline the proposed plan to the meeting. Mr. Stewart told The Post that it proposed the exchange of each present class A share for $18 cash, one common share having equal rights with the present common shares and one new class A no par value share having a $2.40 dividend rate, redeemable at $40 a share and entitled to elect a minority of the directors at all times.

(4) The appraisal showed figures "far in excess of what any board of directors would incorporate in an annual report" and the directors had not seen fit to use it in insurance coverage. He did not have the figures but after considerable pressure from shareholders sent for them. Depreciated value of plant, buildings, machinery and equipment were appraised at $1,118,769. (Depreciated book value of these plus land is shown at $408,150 in the balance sheet.)

(5) A pension plan has not yet been set up but the $50,000 is held by Mr. New and H. A. Hall, K.C., secretary-treasurer, under a trust agreement. Mr. New himself will never benefit under whatever plan is set up.

(6) He does not think more should be paid out in dividends "until we see daylight" and that "I have reason to believe that we are sitting on the edge of a volcano today.".

(7) He would not agree that this year's annual meeting be adjourned until after his meeting with the Protective Committee.

(8) At the last meeting there was such a difference of opinion between himself and the committee that he did not see any possibility of getting together and he was not prepared to consider "horsetrading."

Two polls were demanded during the meeting. One was approval of the financial reports. The other was on a motion to adjourn for a month, made when the management was trying to get an adjournment to another room as the Royal York Hotel required the room it was then using. (The meeting was called for 4 p.m. and lasted till after 7.30 p.m.) Financial report was approved with a vote of 5,451 class "A" and 48,611 common shares for approval and 6,741 class "A" and 941 common shares against.

W. R. Sweeny, in addition to raising other points, asked what happened to a resolution passed at the 1942 meeting to consider the feasibility of distributing the whole of the capital surplus and changing the "A" shares from cumulative to non-cumulative. Mr. New replied that no action was taken because it was felt the "A" holders would not agree to the second part. Mr. Sweeny also questioned whether the financial statements met the requirements of the Ontario Companies Act.

Directors were re-elected, namely: Ryland H. New, president and general manager; Mrs. Helen Isabel New; Ryland J. New, vice-president; H. F. Dingledine, production manager; H. A. Hall, K.C., secretary - treasurer and Thomas H. Roadhouse.

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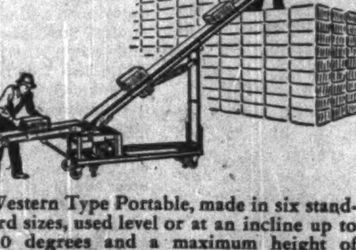

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The Editorial Page

Only a Question of Time

Major recommendation of the Toronto and York Planning Board is another step toward the inevitable merging of Toronto and its suburbs. After a three year study the Board urges that the eight separate municipalities that comprise most of the greater Toronto area should throw in their lot together.

Unification, of course, at least so far as major municipal services are concerned, is the only hope of such urban areas as one finds around Toronto and every other large city in the country. The expense of trying to maintain a half dozen or more separate fire and police forces as well as water, sewage, power and transportation systems is proving prohibitive.

Once the taxpayer realizes the savings that are possible through unification of these services he will sweep away the opposition of the little politicians who are trying to protect their unnecessary jobs and importance.

But the taxpayer will not realize anything like the maximum saving either in reduced taxes or its equivalent in greater efficiency, unless he insists on a real integration. Every bit of dead wood must be rigidly pruned out. If the staffs of the various suburban services are simply added to the already swollen staffs of the parent city, then there might be no saving at all. What would be gained through the elimination of duplication of physical equipment would be more than offset by maintaining unnecessary expansion in overhead.

If it is to achieve real results, any plan of unification must provide for a drastic, even though gradual, reduction in municipal payrolls. At a time like the present when the country is prosperous and employment high such a plan could be carried out with relatively little hardship or dislocation. If on the other hand, suburbs and their present cities wait until hard necessity force them into marriage then there is bound to be more trouble.

MP's Don't Lick Stamps

In Quebec province, motorists with license numbers under 2,000 reputedly have joyful immunity to parking ticket and other troubles to which ordinary folks, unblessed with official favor, are prone.

Another item of privilege which is nationwide is franking—free use of the mails. It costs about \$4½ millions a year.

Our interest in the matter was considerably aroused on seeing a letter sent by the wife of an MP asking the addressee to buy tickets to a concert. The envelope carried the House of Commons postmark and the magic words "Free-Franco."

Ever since 1652 when this stunt was originated in Cromwellian England, politicians and others have feverishly fought to maintain and extend this free mail privilege.

Described as "indefensible in principle and subject to gross abuse," franking in Canada extends to the letters of any citizens written to a member of Parliament while the House is in session, and letters to the heads of government departments.

Is it customary to use the franking privilege for a direct mail operation by the wife of an MP trying to sell concert tickets?

The Post Office people say no. "You can quote me as saying the Post Office rises in its wrath when it hears of this sort of thing. Franking is for official business use only."

More Elastic Exchange Rates

While approving the sharp currency devaluation of last fall, B. C. Gardner in his presidential address at the annual meeting of the Bank of Montreal likened the move to a piece of rough and ready surgery, delayed until the situation needed immediate and emergency treatment. As a permanent policy this method of dealing with the international situation could be dangerous as well as unsuitable.

Mr. Gardner said:

> "The devaluations of mid-September must be regarded as a long stride towards realism. But coming as they have, the more drastic for being overdue, and in one single step rather than gradually through market forces, their very size and impact complicate the readjustment to the sharp changes in cost and competitive conditions inevitably involved. Moreover, since the new rates like their predecessors, have been established by governmental fiat, there can be no assurance now or in future that they reflect accurately the levels of comparative costs and prices in the countries concerned."

As an alternative permanent policy, Mr. Gardner advocates a much more elastic procedure. He suggests that the ends of trade would be better served by permitting "a range of variation in exchange rates, cushioned perhaps by a stabilization fund designed to prevent violent short-term fluctuations."

Mr. Gardner readily admits that under the regulations of the International Monetary Fund, the members (of which Canada is one) are not permitted to establish free exchange rates. But he says, perhaps it is time to reconsider the regulations of the Fund. He argues:

> "Exchange stability is all to the good if it reflects a condition of underlying balance. But the history of the past few years has perhaps made it clear that the attempt to maintain the appearance in exchange stability through fixed rates out of line with reality has been positively harmful in contributing to fundamental unbalance in trade relationships."

Mr. Gardner has brought out into the open a matter that must have been receiving much private consideration in recent months. Whether or not immediate action can be taken or would be widely approved, there will certainly be much general agreement for his conclusion "that the stability offered by any system of governmentally determined economic relationships is a rather dubious product. What we are apt to get is not a dependable equilibrium, but a recurrent sequence of rigidity and sudden shock."

No Ordinary Hospital

Here's part of a letter that merits reading by all Canadian businessmen. It is written by a Canadian executive asking help in building the new Hospital for Sick Children. It makes a fine case for a fine cause.

I ask you because this Hospital is actually a most important institution working directly and for the benefit of your company.

I have for some years used your product.

The reason I use your product is that I am satisfied that the best engineering technique is embodied in it. Thousands and thousands of hours of laboratory research and testing have been expended so that the product produced will be the acme of perfection. I have no conception of what the research and testing would cost annually but it must be a very considerable sum.

This is exactly what is taking place with reference to the children of this country. Thousands and thousands of hours by highly trained doctors and technicians are being devoted through this Hospital to the research and testing of the childhood of this nation. . . .

When you and I were kids it was not unusual for us to go down the street and see placards on a great many doors reading, "This house is quarantined," some with diphtheria, others with scarlet fever, typhoid fever, whooping cough and other communicable diseases. We don't see that today. Why? Because research has found ways and means of either controlling, or almost completely obliterating, all these menaces.

You don't think for one minute that this came about by chance. It was only through the co-operative efforts of institutions such as the Hospital for Sick Children that these miracles have come about.

You don't think for a moment that tuberculosis and cancer in children which are the two leading killers today are just going to disappear like a bad dream. You don't think for a minute that polio is just going to disappear by itself and be forgotten about.

If we are going to conquer these dread diseases somebody has to put in untold hours and someone has to pay for it.

This is no ordinary hospital. At least 40% of the energies expended are devoted to the field of improvement in the health of children and the conquering of diseases which attack them. This Hospital will have over 1,500 rooms in it yet the beds will only number 632.

This is not a Toronto hospital. This is a central hospital whose technique is available to all the children in this nation and even beyond its borders. This is a free enterprise hospital and we want to keep it so. Let governments and municipalities do their share. Free enterprise must do its share.

We are building better employees for your corporation. The knowledge now available for the pre-natal feeding of mothers has reduced the death rate at birth in Canada to the lowest point of any nation in the world. The improved methods of nutrition which have emanated primarily from this Hospital are producing an ever-increasing multitude of healthier children. These children are growing into healthier men and women and therefore are better able to play their full part in adult life. They are therefore healthier and more alert employees and are more capable of establishing happier homes. All these factors add up to a healthier and happier and better nation.

That is what we are building and I feel that your Corporation is one of the principal benefactors.

Only Beginning to Realize

Canadians are only beginning to realize how much their country has grown in the last 20 years, H. L. Enman, president of the Bank of Nova Scotia pointed out at the annual meeting in Halifax this week. "Compared with 1929," he said, "our economy has grown almost beyond recognition."

Mr. Enman cited the more than a third gain in population, a 50% larger working force and a 75% gain in physical volume of production. Then he added significantly "The 13.5 million Canadians of 1949 were, on the average, a good deal better off individually than were the 10 millions in 1929."

That's certainly pretty substantial growth for a country like Canada, but Mr. Enman sees the long term prospects just as favorable. He mentions western oils and Quebec-Labrador iron as two new and major developments pointing in this direction.

Banker Enman, however, is cautious about the immediate or almost immediate future. Our twin problem, he says is to boost our exports to the United States, accept more imports from Europe. Do that and as he says, our major economic worries are solved.

Extra For Exports

The Dutch and the French have a bright idea to encourage their exporters to sell as much as possible in foreign markets, and particularly dollar markets. They require the exporter to turn in only 90% of the foreign exchange to the bank; they are allowed to keep the other 10% and spend it anyway they like. (If the exchange is dollars, France ups the ante to 15%.)

The firm can use the money to get immediate delivery of some raw material or equipment that it might otherwise have to wait for.

If the managing director wants to buy a Cadillac or a Packard as a company-owned car, and if he can accumulate enough American dollars he is permitted to do so. He can even spend the winter in Palm Beach or Hollywood if his firm will sell him their dollars to use that way.

It is a great encouragement to push goods in dollar markets.

In Britain, no direct inducements are offered to sell in hard currencies. A manufacturer may make as much profit—and often more—by selling at home in Britain or in a soft currency market, as for shipping to Canada. There are indirect inducements that are potent in some fields, such as priorities in supplies of raw material, or permits for new plants and equipment.

But what is a new factory compared to the lure of a trip to New York, a dozen boxes of Havana cigars or a few cases of Canadian rye?

It Doesn't Excite Us Now

In traditionally loyalist Toronto the other day, the lieutenant-governor of one of the maritime provinces made a speech suggesting union of British Commonwealth countries and the United States. Instead of the heavens falling as a result of his suggestion there was hardly a ripple and virtually no mention in the three local dailies.

Today one can hardly imagine the furore that would have followed such a speech and by a personal representative of the King, say a hundred years ago. The rash orator might have lost both his job and his head. Even up to ten years ago a speech advocating that sort of thing could not have been made without creating an uproar from coast to coast.

And now it goes almost unnoticed in a city where Americans and British once fought a bloody skirmish over a few hundred log houses.

To the man on the street the eventual coming together of the English speaking nations is something that he now takes for granted.

Napier Moore's

Scratch Pad

WE WERE ABOUT to say that we had spent the week end out of this world. Come to think of it, where we were is very much part of this world. We were at Deep River and Des Joachims.

Deep River is the village the Government built to house the scientists and technicians who work in the atomic plant at Chalk River, their wives and families. It has been described as the only town in Canada where a wife cannot say, "Well, John, what went on at the office today?" Nobody talks shop because shop is secret. In a setting like that of a luxury resort, it's the trimmest village we ever did see. Its population isn't far from 2,000, and a quarter of it is composed of children. Deep River has the highest birth rate in Canada. Average age of the adults is 33. The recreation centre, with gymnasium, theatre, library, bowling alleys, cafe; the 182-room hotel and the schools are the last word. There's a yacht club, too. Last winter the enthusiasts themselves built 48 boats ranging from small sailing craft to a cabin cruiser. And there was a seraphic look on one man's face as he told us how in this endeavor the master carpenter has bossed the big atomic brains.

Des Joachims, of course, is the site of the great Ontario Hydro power development. And we are indebted to Angus Richardson, the project's chief engineer, who devoted his Sunday afternoon to showing us just about every inch of it. The sky was leaden and glowering. Obviously Nature was brooding over the way she has been pushed around by a mere 2,000 human beings who, using gargantuan equipment, diverted the mighty Ottawa River, removed the rapids of Des Joachims, have built colossal dams, are heaving out millions of tons of jumbled, angry-looking rock to deepen and smooth the original and at present empty course of the river, are creating a 60-mile lake above the main dam. That lake is now slowly filling. By next July Nature will be operating again, but under new management; harnessed so that people in Southern Ontario's industries and homes can push switches and buttons and get more electricity.

Against the Laurentian backdrop Des Joachims is the most dramatic spectacle we have seen for a long time. In the presence of engineers on a job like that we feel very humble.

• • •

CHRISTOPHER MORLEY, the distinguished U. S. essayist and novelist, and an old friend of ours, is back home on Long Island after a long holiday in Britain. We have read a joyous account of his visit to the Norfolk parishes of Great and Little Snoring. He had long chortled over the names but was never quite convinced that they were real.

Next time he's over there we wish he'd check on Snoreham-in-Ruins, in Essex; Lynesock-and-Softly, in Durham; Hessle-with-Hill-Top, in Yorkshire; Egg Jump, in Worcestershire, and Nobottle, in Northants.

We already have been convinced that in West Hampshire there is a Nether Wallop, an Over Wallop and a Middle Wallop and that there exists a signpost reading: "To the Wallops."

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SO FAR AS NORTH AMERICAN nomenclature is concerned, we note that the longest word appearing in Rand McNally's new cosmopolitan atlas is Lake Chargoggsgoggmanchauggogoggchaubunagungamaugg. It's in Massachusetts, we're told. And the meaning of this good old Indian name has been translated to mean, "You fish on your side; I'll fish on my side; and nobody fish in middle."

• • •

WRITING IN the London Daily Mail, Stephen Caiger wields a cricket-bat on the U. K. Ministry of Education.

Of the colossal expenditures being made (nearly £250 millions on the education rates and taxes compared with £96 millions at the end of the war) Mr. Caiger says, "No one wants to stint children. We are all grateful for their improved physique. Much of the new money is undoubtedly well spent. But millions are wasted. . . . What are the children learning?"

He says the Navy rejects 40% of school leavers because of their failure to correctly spell three words out of 20, or to add simple fractions like three quarters plus one and a quarter.

He says the Army states that out of every 100,000 national servicemen 2,000 are practically illiterate.

He quotes a head librarian as saying that children's books in common use before the war are now considered too difficult. Teachers complain that inspectors have no use for good, solid work in the fundamentals.

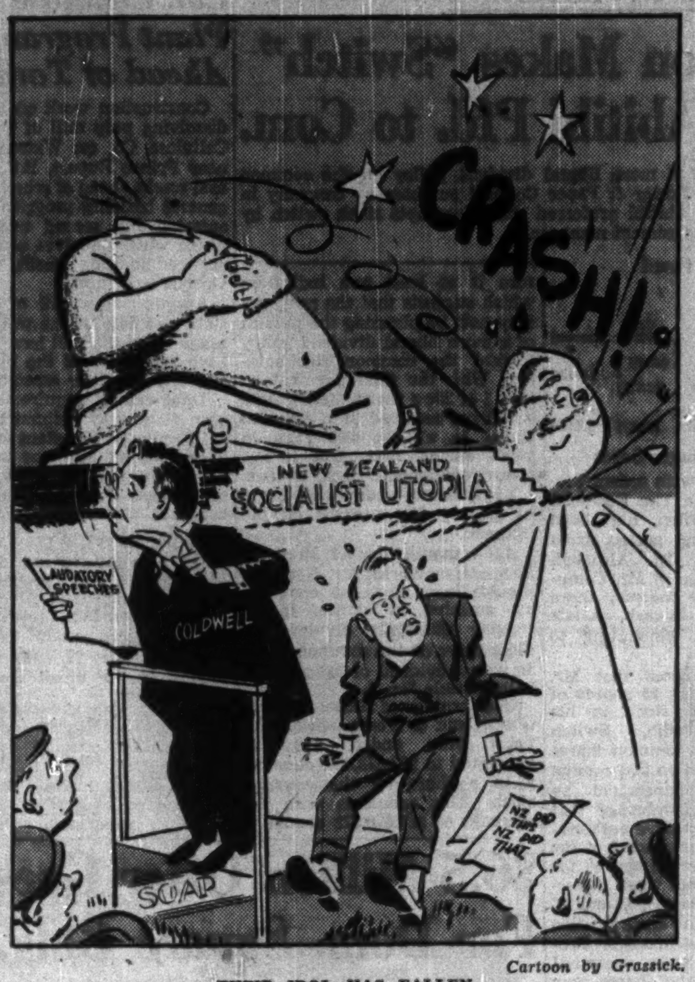
Telling where a lot of the money goes, Mr. Caiger says palatial central schools are eliminating thousands of quite good village schools. The result is that "millions of kiddies dash up and down the country on buses." Some are treated to taxis at public expense. Others have free bicycles or maintenance money if they use their own. Free dinners and free milk are excellent things, but they have created an army of cooks, washers-up, meal supervisors, cleaners. And teachers are driven crazy by a locustlike plague of organizers, administrators and inspectors. They cost £1.4 millions more last year than the year before.

And then there's the paper work. One teacher had to fill in 23 forms to get a couple of dishcloths.

Stop Me If—

A piper had played a selection on his bagpipes at a gathering, not all Scotsmen. He was rewarded with good applause. The chairman suggested an encore. A voice in the audience called, "How about 'Annie Laurie'?"

The piper looked surprised and pleased, and said, "Again?"



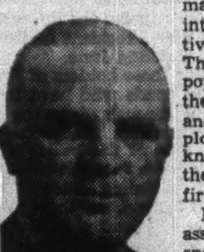
Cartoon by Grassick.

THEIR IDOL HAS FALLEN

Post Scripts

Legal Training Counts

The recent appointment of Gordon Clapp Lindsay, C.B.E., as general manager of Toronto General Trusts Corp. is another example of a legally trained man moving up into a top executive position. The move was popular inside the organization and out. Employees say he knows most of them by their first names.



MR. LINDSAY

Friendly, unassuming, quiet-spoken and likeable, Gordon Lindsay was born in Brandon, Man., in 1890. After attending St. John's College, Winnipeg, he went to the University of Manitoba, graduating in 1910 with his B.A. with honors in mathematics.

Then Lindsay studied law with Aitkens & Co., Winnipeg, being called to the Manitoba Bar in 1913. The next year he switched firms to go with J. E. Adamson (later a judge), Winnipeg. He was associated with that firm until 1926.

In 1926 the House of Commons set up a Royal Commission on Customs and Excise and Lindsay was named a junior counsel from Western Canada for the Commission. In this capacity he met and worked with Hon. N. W. Rowell, K.C., who was Chief Counsel of that Royal Commission. When his work on the Commission was ended he became associated with Hon. Mr. Rowell in the office of Rowell, Reid, Wright & McMillan, Toronto.

After six years there, Lindsay joined the Toronto General Trusts in 1934 as executive assistant to W. G. Watson, the general manager. In 1936 he was appointed to the position of assistant general manager. He now succeeds Mr. Watson.

During the war years Lindsay was loaned to the Dominion Government and was one of the assistant chairmen in Ottawa of the National War Finance Committee from June, 1942, to February, 1946. He would go to Ottawa each Sunday night, return on Friday night and spend Saturdays in his office at T.G.T. Corp. He was awarded the C.B.E. for his service with the Government.

Outside of a little curling and golf, Lindsay has devoted most of his spare time to his family. In 1916 he married Alma L. Gillespie of Winnipeg. They have two sons, aged 30 and 15. The older is in his last year in Agricultural Engineering at the University of Saskatchewan this year, the younger is at home.

• • •

Real Estate Hustler

He buys and sells \$1½ millions a year of other peoples' property; his firm currently is trading well over \$7 millions a year and is the largest-space classified advertiser of real estate in the country.

MR. LEPAGE

That's Harry Aylesworth LePage, of A. E. LePage, Toronto, new national leader of 2,500 real estate broker-appraisers and their 3,500 affiliated salesmen represented by the 7-year-old Canadian Association of Real Estate Boards.

LePage, 55, is quiet, friendly. He's modest about his reputation as a top-income man in the business, and about his whip-smart family, also among the biggest in the business. Sons George, 26, and Donald, 24, are with the firm. Three others range from 18 down to 5. Daughters Betty, 22 and Mary, 20, are following advertising and nursing careers.

Born in Toronto, LePage's father was a Prince Edward Island Methodist, Henry Thomas LePage, who manufactured and supplied individual communion cups and other church furnishings. After a night school business course, and a period in his father's business, CAREB's future president enlisted in 1915 with the Canadian Corps of Signals, served overseas 1916-18 as a corporal dispatch rider attached to the artillery, then was in Bonn, Germany, with the army of occupation.

When H. A. joined his older brother in 1919, the then-6-year-old firm was known as A. E. LePage Bungalow Specialist. Today, A. E. LePage offices sell houses priced from \$3,500 to \$225,000, recently handled transfer of a \$1½ million resort hotel at Nassau, Bahamas, and another at around \$750,000 in Muskoka, Ontario. Listings include funeral homes and restaurants. Enquiries come from as far afield as New Zealand. The firm reputedly is handling the country's largest volume of residential business; specializes also in farms, country estates, summer cottages and resort properties.

Harry LePage is an ardent amateur photographer (portrait and landscape, some published), and musician (piano and mandolin). He is member of St. George's Golf & Country Club, Kingsway Lodge AF & AM, the United Church, National Club, Toronto Real Estate Board.

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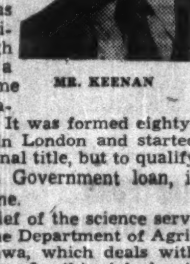
Bug Protector

A lot of people may recall William N. Keenan as one time Canadian badminton champion, but outside of Ottawa and the groups with which he works, comparatively few may know much about his work and how it affects the welfare of the country.



MR. KEENAN

At the 86th Annual Meeting of the Entomological Society of Ontario, held in Winnipeg last month, Bill Keenan was elected President. Although this group has a provincial name it is really national in scope. It was formed eighty-six years ago in London and started off with a national title, but to qualify for an Ontario Government loan, it changed its name.

Keenan is chief of the science service branch of the Department of Agriculture at Ottawa, which deals with plant protection. In this job he is concerned with plants, it is true, but more so with their enemies, insects.

He was born and raised at Moncton, where he spent his early life, and attended the Agricultural School at Truro, Nova Scotia. Soon after this he joined the civil service and when the Dominion Government in 1923 organized its plant protective division on a nation-wide basis, Keenan was appointed assistant in administration

Now chief of the division, his main job is to keep destructive insects out of this country or get after them promptly once they appear. Rigid inspection of imports liable to hide such pests is one of the major jobs of the inspection service. At the opposite end, Keenan's branch is also responsible for certifying that products exported from Canada are free.

Keenan is Chairman of the Employee Section of the Joint Employer-Employee Council of the Canadian Civil Service and Vice-President of the National Grand Council of the Public Service of Canada. He is also past president of the Canadian Badminton Association.

Now 56, Bill Keenan still maintains his trim athletic figure. He likes all games, is credited as being more than an average golfer, but his main interest in and out of office still is insects.

What Others Are Saying

Editorial of the Week

Leave Politics Out

Vancouver News-Herald

Canada's justices, on the whole, are men of ability and integrity, and well versed in the law. Most are scholars in the truest sense. This country may be proud of its bench.

But, it must be admitted, that often it has appeared in the past lawyers have been chosen because they were good supporters of the party in power. The public has had that impression. There would seem to be some foundation for it.

Canadians often scoff at the United States because judges there are elected. Yet is this system any worse than one that rules that only friends of the government should go to the bench?

Canadians would welcome an end to the method of appointing judges on a political basis. They should be chosen for merit only.

Other People's Views

AMERICAN FORCES stationed at the U. S. military bases in Newfoundland, says the **St. John's News** have proven the best of neighbors and there have been few incidents, but: "We do not say this in order to deny in any way the right of the Federal Government to seek and obtain modification of certain of the terms of the leases which are most offensive to Canadian sovereignty."

NO MONOPOLY of public business have the federal and provincial governments points out the **Morris (Man.) Herald**. "Control of this country's affairs was never a monopoly of eleven parliaments. A remarkably large share of public business has always been carried on by men and women who live and work within a few blocks or miles of your home. They control the levying and spending of taxes for schools, streets and roads, libraries and parks and a host of public services like water and sewage which are the life of a modern community."

POLICE SECRECY can be overdone warns the **Vancouver Province** which emphatically disagrees with North Vancouver city council's action in permitting police censorship of police news. "Whatever the faults of the press, the police have their faults, too. And when those fault and failures are kept from the public anything can happen. When a police department can suppress the news of one minor crime it establishes the right to suppress news of all kinds, great or small. Such suppression eventually leads to the kind of secret police abhorred by free men everywhere."

RADIO LICENCES FEES should be abolished asserts the **Winnipeg Tribune**. Charging that the present system is cumbersome, costly and inequitable it says: "In its place should be substituted a statutory grant for the C.B.C., based on the number of receiving sets in the country or even on a per capita basis. The licence fees mess should be cleared up once and for all. In the long run the C.B.C. would benefit not only financially but in its public relations. The irritation now being caused by the nuisance tax on receiving sets is all too often vented on the C.B.C. If the tax were abolished the C.B.C. would probably get only the criticism it deserves."

RADIO is too intimately associated with all of us to be left solely in the hands of private stations, believes the **Ottawa Journal** which comes out bluntly with this: "What the private broadcasters want is, of course, freedom from control, freedom to use the air waves for their own advantage as they see it. That is, we think, a wholly untenable proposition. So intimate a thing as radio, which reaches into almost every Canadian home, cannot be left to the exploitation of those whose main concern is with private profit. The Canadian Broadcasting Coroporation is far from faultless, but we are convinced that in the main it operates and has operated in the public interest, that radio in this country is better and healthier because CBC exists."

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Dec. 10, 1949

How $10 Million Loan Plan Aids Maritimes Coal Mines

OTTAWA (Staff)—A policy of greatest importance to the Maritimes and with implications for all Canada is the new $10 millions coal mining loan plan approved by Parliament this week.

For the first time, the Government is putting up money at 3% (or better) to provide modern machinery for private enterprise to overhaul its plant and equipment.

The initial loan is expected to be $7.5 millions to go to Dominion Coal Co. as two-thirds of the cost of remaking its entire Cape Breton operations over a period of five years. Savings from the modernization program are expected to reach $1.50 to $2 a ton.

Out of this the company must set aside 30 cents a ton on every ton mined to pay off the loan, which is repayable in full at the end of 15 years. Purpose of the expenditure is to purchase coal-cutting, haulage and ventilating machinery for underground work and washing plant.

Chief argument for the proposed loan assistance was put by Trade Minister Howe when he told the House:

"The provision of this assistance will enable those operators who qualify for participation to increase efficiency, to improve their product and substantially to reduce their costs. These results will, in turn, improve the competitive position of these coals in the subvention area and consequently should reduce the amount of annual subvention assistance."

To Meet Rising Costs

In the commons debate, Mr. Howe admitted that the loan plan (which limits aid to Maritimes coal producers) was frank "discrimination" in favor of the Maritimes. His argument: "— we do not see any other way of providing for the future of Maritime mines." These mines, he pointed out, "are in jeopardy today by reason of the constantly rising costs and the competition from lower-cost U. S. coal. U. S. coal is dropping in price—the gap is being bridged presently by subventions from the Government."

No figures are available here, or were given in the Commons, but The Post is informed that Dominion Coal Co. costs have been rising sharply this year while pithead costs in U. S. mines have remained firm or actually declined. (In its 1948 report, Dominion Coal reported one of its most profitable years with net operating profit of $2.4 millions and net profit before preferred dividends of $704,634. Preferred dividend payments were $643,-197.)

The new policy stems in part from the Carroll Commission report on coal of 1946. This report stated that at least 100,000 people are dependent, directly or indirectly, on Nova Scotia coal production, and that "without aid additional to the present tariff, the industry will be unable to support that number with resulting social and economic dislocation."

The main recommendations of the commission sidestepped government aid looking toward mechanization. They agreed that improved mechanization was overdue but "if present capital proves inadequate, the security-holders themselves must make sacrifices."

Minority Report

At that time, in a minority report, Angus J. Morrison (one of the Commissioners) stressed the urgent need for increasing productivity in the Nova Scotia mines. He suggested that the Government "has a direct claim on the industry to take all necessary steps for reorganization on a more efficient operating basis to reduce to a minimum its drain upon the federal treasury and to restore it as quickly as possible to its own feet."

Following the Carroll report and recommendations, the government named a statutory Dominion Coal Board. This board (chaired by Wilbur Uren) recommended a policy of loans to all coal producers, in October, 1948. Later this was revised to limit aid in the first instance to Maritimes operators.

Nothing was done last autumn, pending a decision by the Government as to what form of aid (if any) was to be given the Canadian steel industry looking towards postwar plant expansion. When this program fizzled out, the decks were clear to consider special aid to Maritime coal industries. The decision has been speeded, of course, by the tightening unemployment situation now facing the Maritimes.

Although only one application has yet been received (Dominion Coal), discussions are now taking place to make a much smaller but similar loan, to companies in the Minto area in New Brunswick. Coal mining employment in the area involves only a few hundred persons against 7,000 in Dominion Coal and 10,000 in Nova Scotia.

Will Seek Agreement

The Dominion Coal brief was made originally last year; has not yet been revised. But with the legislation approved, negotiations will begin at once towards drawing up a specific agreement under the new act. (Mechanization of Maritime mines was urged in a special report by Coverdale, Colpitts in 1944, and again in a report to the Royal Commission by a U. S. expert, Dr. Young.)

It is argued here that unless low-cost money was made available the necesssary investments could not or would not be made —either because Dominion Coal would not be able to raise this much money publicly, or because the rate of interest that would have to be paid would eat up much or all of the savings.

The new legislation permits loaning of $10 millions with a limit of $7.5 millions on any one project. (Dominion Coal produces 87% of Maritimes output; is expected to ask for approximately $7.5 millions over a five-year period.)

One condition of the loan is that it must not exceed two-thirds of the cost of the project. It is estimated here that the new mechanization program will lower costs of production and increase output by one-quarter to one-third.

Importance of the project is indicated by this fact: that in 1944, the Royal Commission stated that the total value of all Dom. Coal Co. collieries, sinkings, plant and equipment was $6.5 millions. This means that the new program will exceed in cost the net value of the companies' entire investment in plant, etc. (This does not include its investment in coal areas and bases.)

Loan Conditions

The conditions outlining any or all loans, as set down in the new law include:

(a) that the project is in the public interest and completely and efficiently planned in its economic, engineering and operating aspects;

(b) that the project when completed will substantially increase the efficiency of coal production;

(c) that the coal producer is able to finance the cost of the project in excess of the amount of the loan provided for by the agreement, and will efficiently operate the plant after completion of the project; and

(d) that the coal producer is following sound and reasonable policies as to dividends and will repay the loan and interest as provided by the agreement.

Interest on the loan is to be "at a rate based on the average rates of interest return that the Minister of Finance determines is yielded by bonds of the Government of Canada of a term comparable with that of the loan."

The loan is to be repaid "by semi-annual payments at a rate of not less than 30 cents per net ton of coal produced by the mines in respect of which the loan was made."

The loans are to be secured "by a first charge or mortgage in favor of His Majesty on the mine and equipment in respect of which the loan is made or on other property of the coal producer or by other such security as the Minister may approve."

Income Tax Plan

Special income tax arrangements as laid down in the act were described by Mr. Howe as follows:

"The repayment of the loan is to be treated as accelerated depreciation. In other words, when the payment is made for any year, the portion of the earnings which represents the repayment of this loan is not subject to taxation. So far as the funds that are advanced privately by the company are concerned (that must be at least one-third of the expenditure) those funds are not subject to accelerated depreciation."

In the Commons discussion, it was pointed out that the first attempt at capital assistance to Nova Scotia Mines was the guarantee of a $750,000 loan to Acadia Coal Co. in 1945, to develop the McBean seam by mechanization. It was argued at that time that if this could be done, a loss of $100,000 a year could be turned into a profit.

This loan was to be liquidated in quarterly installments of $36,-500, over a 5-year period which works out (according to Mr. Howe) "at about 25 cents a ton of coal now being produced in the seam."

These payments, says Mr. Howe "have been made on the due dates."

In the House, credit was paid to Harold Gordon, presently manager of Dominion Coal as "the most progressive, the most courageous man who has ever occupied that position." Mr. Gordon was manager of Acadia at the time the guarantee plan was proposed. He has since been promoted to the larger Dominion Coal job.

Mr. Gordon was also credited with having made it possible to get coal machinery produced in Canada at lower cost than was possible in the United States.

8 More Diesels Ordered By CNR

MONTREAL (Staff)—Reflecting current trend of Canadian railways towards increased use of Diesel-electric power, CNR announced last week that it had ordered eight new road 1,500 hp Diesels from Montreal Locomotive Works Ltd.

This brings to 46 the total number of Diesels ordered by the railway this year. When they're delivered, CN will have 174 in service on its lines. Delivery is scheduled for January and February.

On the financial side, CNR reports that 10 months' net revenues were $2 millions below the same period last year, despite the fact that operating revenues were $9½ millions higher. Comparative statements follow:

	1949	1948	Incr.
Month of October	$	$	$
Oper. rev.	48,349,000	46,890,000	1,541,000
Oper. exp.	40,285,000	41,256,000	971,000
Net rev.	3,064,000	5,634,000	*570,000
10 Months Ended Oct. 31			
Oper. rev.	410,893,000	401,438,000	9,455,000
Oper. exp.	399,441,000	387,978,000	11,463,000
Net rev.	11,452,000	13,460,000	*2,008,000

*Decrease.

See Firmer Pulp Price Holding For Early 1950

MONTREAL (Staff) — Except for continuing depressed unbleached kraft prices, the pulp market is showing increasing signs of firmness and prices are expected to remain firm through the first quarter of the new year, pulp men here say.

October paper and board production in United States was the best month so far this year, and the third highest ever recorded, according to American Paper & Pulp Association statistics. Average daily output of coarse papers was up 7.2% over September, although it was 4% below October 1948.

Both production and backlog of orders rose sharply in October, the association reported, although production has been running somewhat higher than consumption, indicating that depleted inventories in the hands of merchants, converters and consumers are gradually being rebuilt for the first time since March.

Price Picture Has Stabilized

With greater consumption of pulp to support this higher paper and board production, the pulp price picture has stabilized and there seem to be no signs of change for the first quarter at least, observers here say. Prices of European pulp, which had an initial advantage following devaluation, have recovered about 20% in terms of sterling, and in terms of U. S. dollars are now pretty well equal to Canadian and U. S. pulp quotations.

Worst hit pricewise in the past year has been unbleached kraft pulp, some grades of which are selling as low as $82.50 a ton compared with $120-$135 in 1948. Swedish prices went as low as $70 following devaluation. Bleached kraft, although down from the $122-$147 range prevailing at the end of last year, is still holding around $118-$126 a ton.

Ordinarily there wouldn't be as wide a spread between the bleached and unbleached kraft prices, but the unbleached kraft picture is suffering from an oversupply condition, pulp men say. Although Canada has more than doubled its kraft capacity in the past ten years, biggest factor in the increased supply has been the U. S. whose capacity, five times our own, has shown as great or greater percentage increase. U. S. six-million-ton kraft output, most of it unbleached, was about 45% of its total pulp production in 1948.

Could Crimp World Prices

With less than 2 million tons of kraft coming into the international markets altogether, a surplus of 5-10% in U. S. output can put quite a crimp in world prices, observers point out. Canada's one-million-ton capacity (400,000 tons bleaching) is considered relatively small in relation to the country's 8-million-ton total pulp capacity.

To illustrate the discrepancy between bleached and unbleached kraft, it is pointed out that bleached sulphite has been selling recently around $118 a ton and unbleached around $100. This $18 spread is regarded as roughly equal to the costs of bleaching. The spread between the bleached and unbleached kraft is over double that figure.

The continuing strength of bleached kraft prices despite higher U. S. imports from Europe and reported Scandinavian attempts at undercutting has been due largely to greater variety of outlets mostly as a substitution for bleached sulphite. In addition to its traditional uses in book, fine and wrapping papers and folding boxboard, it's being used more and more in waxing stock for frozen food packs, in meat and bread wrappers, protective linings, toweling and several others.

U. S. Imports Down 23%

Total Canadian exports of pulp, dollarwise, were down to $140 millions in the first ten months this year against $176 millions a year ago. U. S. imports of Canadian pulp in the first nine months were 280,000 tons lower—a 23% drop. There was a substantial decline in takings of unbleached sulphite. Eastern Canadian mills making this pulp have been operating at below capacity levels, and there is some discussion about shutting down at least one sulphite mill.

Groundwood has been another soft spot, with prices down around $65 a ton compared with $80-85 last year. U. S. imports were down 38%. Only plus sign of consequence in the nine-month period was the bleached kraft, in which imports by the United States from all countries rose 28%. Consumption of pulp by both integrated and non-integrated U. S. paper and board mills was off 18%. However, the greater demand recently is expected to bring about an improvement on this showing in the last quarter.

Cdn. Breweries U.S. Subsidary Reports Big Loss

Operations of Brewing Corp. of America, U. S. subsidiary of Canadian Breweries Ltd., for the fiscal year ended Sept. 30, 1949, resulted in a net loss of $2,532,739, or $1,566,239 after federal income tax credits. This compares with a net loss, after tax credits, of $903,277 for the previous fiscal year.

Canadian Breweries controls the American company through ownership of over 78% of its outstanding common stock. Earnings of Canadian Breweries for the fiscal year ended Oct. 31, 1949, will be $3 a share after absorbing the operating losses of the U. S. subsidiary.

Unlisted Mines, Oils

(By the Broker-Dealer Assoc. of Ontario)

Approximate quotations, 4 p.m., Dec. 5, subject to confirmation and change:

	Bid	Ask
Abenakis	3	4
Advance	3½	4
Alexander	2	4
Aljo	½	1½
Ama Kir	6	8
Anna'que	3	4
Arctic	4½	6
Argonaut	1	2
Audley	1	2
Auterra	1	3
Baker	1	2
Barb L N	3	5
Beaulieu	2½	3½
Beauriv	2	4
Bi Ore	24	28
Biroco	16	18
Blondor	3	4
Bouzan	13	15
Bour C	3	4
Bradnor	1	2
Br Breest	1	3
Braminco	17	21
Bravo	1	2
Bright R L	1½	2½
B McDade	7	9
Bulldog	13	16
Burley Po	1½	2½
Camlaren	3½	5
Camray	7	9
Captain	2	3
Carricona	2	4
Cassidy	1½	2½
Cent M	6	7
Cock R L	1	2
Columbier	1½	2½
Con Chib	29	32
Con Cop	8½	9½
Courageo	1	2
Craibbe	4	6
Croydon	2	4
Cuyuni N	25	35
Delhi	3	7
Derlac	3	5
De Sant	3	4
Dickenson	15	17
do new	58	62
Dom Mal	1	2
Dona Pat	1	2
Doris	2½	4
Durham	8½	11½
Echo Ind	3½	6
Elmac	3	5
Erin Kirk	1	2
Flicka	2	3
Forty F'r	105	110
Gan Cop	2½	4
Geneva L	4	6
Gilbec	½	1½
Goldpac	7	12
Goodrock	1	2
Gerd Lebel	½	1½
Gov Gold	2	4
Grnd Chib	22	25
Greenlee	4	6
Grndhog	14	..
Halden	4	5
Habitant	1½	3
Harp Mal	1	2
Hornfault	15	17
Hayes Cd	½	2
Hugh Pam	15	17
Independ	4½	6
Islepines	4	8
Joannes D	1	2
Kamlac	15	18
Ken Bay	3½	5
Kenda Pe	4	7
Kenroy	1	2
Kingdon	..	20
L Expanse	7	9
Lar Add	3	5
La Salle	3	4
Lavalie	2½	3½
Legardo	1	2
Lennie	1½	3
Le Pine	3	5
Louvore	½	1½
Mallen R L	4½	6
Marbenor	9	11
Marquette	11	15
Mar Bird	3	4
Mary Ann	5½	6½
Mat Con	37	40

	Bid	Ask
Mate Yel	3	5
Metalore	2½	3½
Miles R L	3½	5
Mindus	12	14
Mink	3	5
Mistassini	2	4
Moffat H	1	2
Mohawk P	2½	4
Morris K	1	3
Murbell	1	2
Murmac	6½	7½
McManus	5	7
McCuaig	4	6
Nat Mal	48	52
do new	6	8
Nayb '45	2	4
Newcore	8	10
New Aug	13	15
New Mal	3	5
Nickel L	3	5
Nisto	24	27
N Offsets	150	200
Norbeau	95	105
Norbee	12	16
Norcourt	3½	4½
Norford	2	3
Normar	2½	4
Nortyne	..	1½
Novele P	2	4
Obalski old	5	8
do '45	14	16
Obaska	10	12
Opemiska	17	19
Oklend	4	6
Olivet	2	3
Ortona	4	5
Pascalis	13	16
Pelangio	4	6
Payne	3½	5
Phelps	1½	2
Pinnacle	1	2
Poona Go	½	1½
Presdor	2	3
Privateer	15	18
Pro Divers	11	14
Quejo	8	10
Quest	1½	3
Rand Mal	11	12
Rajah R L	1	3
Raymond	1½	2½
Randona	2½	3
Redruth	4	6
Redwood	5	7
Rhyolite	1½	2½
Richgroup	4½	6
Russet	4	5
Salmita	2	3
Santiago	10	12
Sepha	3	4
Sheldon	10	12
S Dufalt	3	6
Silv Arrow	3	5
Sovereign	4	5
Skynner	2	4
Starlight	2	4
Sun Bear	3½	4½
Thornhill	1½	2½
Tiffany	1½	3
Tobico	2½	3½
Tovarich	1	2
Viking	13	15
Val d'Bel	1	1½
Vinray	2½	3½
Walcora	2	3
Wesley	1	2
West R L	1½	2½
Wilwood	1	2
Y Davids	18	20
Yelknife	190	..
do vt	135	..
OILS		
Franco	48	52
Granleduc	20	25
Home O	12½	13
Jupiter	17	19
Lingnora	6	8
Major Oil	5½	6½
New Ranch	2½	3½
Pac Oil Re	4½	5½
Princess	33	36
Reef Pete	38	40
Universal	1½	2½
Vermilion	38	40
Westlock	5½	7

New N. B. Store Is Planned By Woolworth's

From Our Own Correspondent

SAINT JOHN — F. W. Woolworth Co., Toronto, R. D. Campbell, general manager announces that on April 1, wrecking of a group of old buildings in this city's central business section will start. On cleaned up site, Woolworth will build a 3 and 4 story variety chain store designed as one of the most modern commercial buildings in the Maritimes. It will be ready a year from July, according to present schedule.

Now occupying the site, F. W. Daniel & Co., part of the Victoria Hotel and several business offices, besides Woolworth—are seeking new premises in one of the biggest shuffles of business firms in Saint John in years.

Woolworth in 1945 after lengthy negotiations with the Anglican synod, took a long-term lease on the land and bought the buildings.

With the expectation that the Woolworth project was about to be announced, business firms have been jockeying for position in the King-Charlotte-S. Market streets section where the new store will rise.

DISCOVERY YELLOWKNIFE MINES has received payment for Dec. 10 installment of 50,000 shares at 25c a share under agreement with Tidewater Securities. Issued capital is 4,608,550 shares, leaving 391,450 in treasury.

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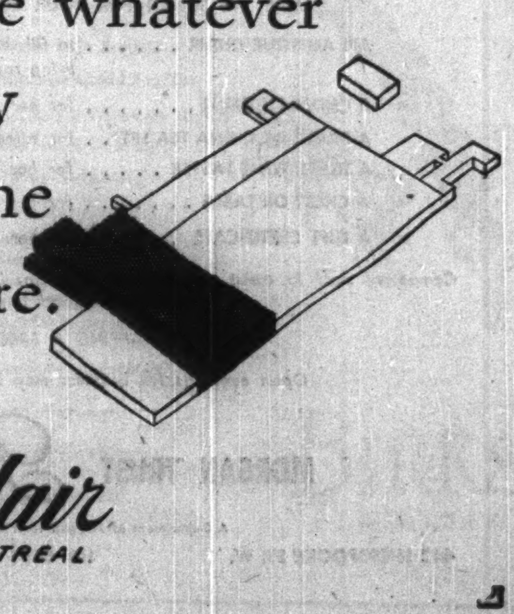

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Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

British Columbia

Co-op Plans To Can Salmon: Preparing to crash B. C.'s salmon canning industry is Fisherman's Co-operative Federation with 7,000 members. Co-op, which last year accounted for $7.5 million sales in the province's $58 millions fishing industry, plans construction of one or more canneries with support expected from huge U. K. Co-operative Society of England with annual turnover of $950 millions, and Scottish Co-operative Wholesale Society with $150 millions turnover. In anticipation of joint financing of the project "Pacific Fisheries Co-operative" has been set up with equal division of shares in B. C. and U. K. and $2 millions marked to launch the enterprise. Last season 150 gillnetters sold fish to the Federation which also handled 50% of the halibut and albacore caught in B. C. waters.

$106,000 To Lure Tourists: Viewing 1950 as a "challenge year" with a continent-wide scramble for tourist trade, B. C.'s Government will spend $106,000 on advertising to lure tourists to the province. Announcement made by Provincial Deputy Minister Rowebottom was hailed by aggressive B. C. Auto Courts and Resorts Association at recent Vancouver convention, attended by members from as far away as the Alaska Highway. Association now has 200 members, 14 branches, and is working to establish uniform, quality accommodation for the entire Pacific coast. Government will spend $70,000 on newspaper and magazine campaign; $18,500 on literature, $3,500 for field work and personal contact in 11 western states and Texas (B. C. has 96,000 more square miles than Texas) and some $14,000 on production of films in sound and color.

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Alberta

Windfall in Dividends: Alberta Wheat Pool members received or were credited with $656,734 in patronage dividends during the 1947-48 crop year, pool's 27th annual convention was told. Distributed was $380,100 arising in the purchase of reserves from estates of deceased members or members who no longer had an interest in Alberta farm lands. Delivery of grain to elevators in the year brought dividends of $164,508 while additional dividends of $492,226 were credited to the account of pool patrons. Federal income tax amounting to $253,226 on undistributed surplus was paid and the remaining $501,891 transferred to surplus account. In the last 10 years total of new members has reached 22,284.

Three More Seats For Alberta?: The nonpartisan redistribution committee of the Alberta Legislature has recommended that three more seats be added to the Legislature, states Attorney-general Lucien Maynard, committee chairman. Increase will boost the number of Alberta M.L.A.'s from 58 to 61 if the legislature approves committee's findings at the next session. Edmonton is to get two of the proposed seats, giving the capital city seven M.L.A.'s; Calgary one more, giving it six representatives; and a new constituency of Bonnyville is to be created.

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Saskatchewan

To Run Prospecting Courses: As part of its prospector's assistance program, Saskatchewan's mines branch of the Department of Natural Resources will run courses in prospecting this winter. Courses are open to any person between ages of 18 and 25 who has purchased a 1950 miner's license and include lectures on latest prospecting information, mineral samples and use and care of the geiger counter. Since assistance plan began two years ago, combined with the expense of the native trainee plan, the branch has spent $24,812. To date roughly $82,000 in concession fees has come into the Government as a direct result; much information has been gained.

Million Mile Mercy Flights: Saskatchewan's air ambulance service, established in 1946 and flown 1,000,000 miles since then, is preparing for increased activity this winter. Service now has a staff of 18 — four pilots, three nurses, office workers and maintenance crews. Four aircraft range the province's 250,000 sq. miles to pick up patients requiring medical attention. Emergency patients within the province are charged $25. A passenger accompanying a patient is charged $10. Stretcher patients going outside the province or going home from hospital pay 35c a mile one way. Sitting patients pay 20c an air mile; passengers traveling with them are charged seven cents an air mile.

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Manitoba

Planes To Aid Re-Assessment: As part of the province's re-assessment program, planes with aerial cameras will sweep south-western Manitoba to determine extent of cultivated and non-cultivated acreages, map sloughs, pot holes, drainage channels and ravines. Under the new plan assessment value of agricultural properties will be influenced by productive capacity of the soil, topography of landscape, degree of stoniness, presence or absence of alkali, degree of erosion and other factors affecting production or costs of operation. In urban re-assessment, a tape measure and clinometer will be used to measure buildings, following detailed inspection of interiors, exteriors and cellars. To handle the work will be a staff of some 12 assessors specially trained in soil classification, general economics, municipal law and building construction. It is estimated five years will be required to complete re-assessment of the entire province.

Glass Industry For Manitoba? Rich deposits of silica sand, plus a surface coal mine could mean establishment of a new pottery and glass industry in Manitoba, and a property at Pine River, 50 miles northwest of Dauphin is reported to have both. Development of property began in 1936, passed through several ownerships and only recently was the first coal trucked out. Coal is said to be hard, of good quality and mine is believed to be first coal producer in Manitoba. Transportation, however, is a problem and mine owner, Roy L. Johnston hopes to interest the CNR in constructing a line to the property. Large quantities of fine, white silica sand and bluish-grey clay may pave way for a glass-making plant on the site.

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Ontario

Lemon Becomes A Melon: Toronto's astute Transportation Commission, seemingly always one jump ahead when it comes to building underground railways and establishing profitable passenger lines, let a good thing slip out of its hands 19 years ago. This was famed Yonge Street Radial, running north from city limits to serve Richmond Hill, North York, Vaughan and Markham. Purchased by these municipalities, line was thought to be a lemon and for years this appeared to be true with all four hard pressed to meet deficits. Then came the war, unprecedented expansion and profits soared to the extent that in 1948 the sum of $307,403 or three times the purchase price was realized. Radials now have been discarded, modern buses ply the line, tracks are being torn up and profits from sales of these and other equipment will also be shared by the municipalities. Last year line carried 2,595,209 passengers.

Milk Drivers Complain: First test of Toronto's six-day milk delivery finds drivers complaining they must work 16 hours on Saturday to supply customers who have been tardy in placing orders to carry them over the week end. Cash-and-carry and a six-day week was put on a trial basis Dec. 4, and while first tests have not been conclusive, Milk Drivers' and Dairy Employees' Union (AFL) warned that if customers did not space orders to avoid last-day heavy demand, return to a seven-day week may be necessary. Union, however, might insist on a five-day week for drivers, necessitating dairies hiring more men which could bring an upward revision in the price of milk.

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Quebec

Province of Learning: Quebec's progress in education outlined by Premier Duplessis. Province had taken over school debts amounting to $100 millions; spending for new schools, $22 millions; $2 millions to classical colleges; grants of $15 millions had been made to McGill, Laval, Montreal and Bishop's College universities; farming schools have spread over the province; "hundreds of thousands" spent to extend household science schools and technical schools. Province has also established a school of papermaking at Three Rivers, classed as "most complete in the world." Fishery schools have been set up in the Gaspe district.

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New Brunswick

Gas Shortage in Moncton: Shortage of natural gas in Moncton has become critical, is expected to grow progressively worse during the winter, D. W. Storey, City Solicitor, told New Brunswick Board of Commissioners of Public Utilities. He asked commissioners to regulate supply and consumption of natural gas and suggested shortage could be eased by eliminating use of gas by all industrial plants during the winter. This would allow a greater supply for domestic users. Moncton gas originates in nearby Albert County and is supplied by New Brunswick Oilfields Ltd. New wells have been sunk, old ones cleaned and deepened but the supply has not kept pace with demand.

U. S. Grant Aids Project: Much interest is being shown by St. Stephen in announcement that Maine has granted $7,500 to further investigation of the proposed Passamaquoddy power project on the international border. Money will be used for a brochure with illustrations and information on the great tidal project and will be issued immediately following the expected favorable decision of the Joint International Commission conducting a survey of possibilities and costs.

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Nova Scotia

Seek Control of Bangs Disease: Continued pressure on provincial and federal departments of agriculture for a policy for the control and eradication of bangs disease was urged by Pictou, North Colchester Farmers Association. Other resolutions included: A request for continuance of the present freight assistance policy on feeds, with consideration given to making this a permanent policy; That the Department of Highways be asked to remove sods, rocks, etc., thrown up by road machines so that mowing machines may be used along the sides of the highway to cut weeds.

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Prince Edward Is.

Export Frozen Poultry: Island poultry are on the move to new and strange countries. For the first time in history, shipments of frozen poultry have been made to Bermuda and Trinidad. A trial shipment of live turkeys went to Newfoundland earlier, on the Galloway Kent to St. John's. This is the 51st ship in 1949, to leave the Island for the other island with garden and dairy produce.

Machine Eases Lobster Work: A fisherman from Prince Edward Island's east coast has succeeded in constructing a mechanism to haul in lobster traps or heavy deep-sea fishing lines. The inventor, Bert Taylor, has sold his rights to a Charlottetown manufacturing company, Bruce Stewart & Co. The trap hauler can be operated either from the main engine of the boat, or from a special set-up, depending on operator's preference.

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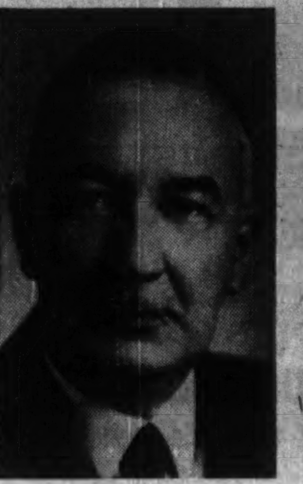
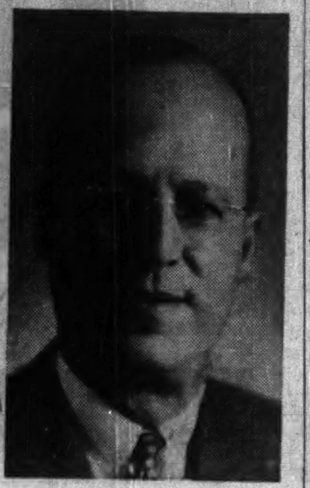
Newfoundland

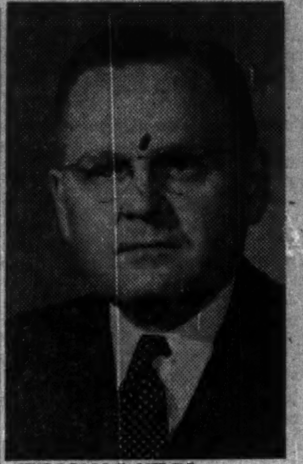
May Set Up Seven New Judgeships: Under an Act respecting Newfoundland District Courts now before the House of Assembly, the province will be divided into districts. Magistrates or judges will have increased jurisdiction but higher legal qualifications than heretofore will be required. Moved for second reading, the Bill, when passed, would set up seven district courts in the province with as many district court judges. These will have jurisdiction up to $1,200 in civil matters ($200 previously) and over all land cases. They would also have extended criminal jurisdiction and will be appointed by the Governor-General in Council. To qualify, 10 years practice at the Bar is necessary.





J. A. FIOTT B. R. CALDER

James A. Fiott, Chief Supervisor of Branches for The Bank of Nova Scotia, has been named Assistant to the General Manager, and Benjamin R. Calder has been appointed to succeed him. Mr. Fiott was born in Cape Cove, Que., and entered the Bank's services at Campbellton, N.B., in 1907. Mr. Calder was born in Beaver Harbour, N.B. His Bank service includes several years in the Bank's New York and Havana offices. Prior to his present appointment, he was a supervisor of branches at the Bank's General Office in Toronto. *



WILLIAM J. NILES

has been appointed sales manager, Montreal Locomotive Works.

Bronfmans Own 53% of Stock Dist.-Seagrams

Members of the Bronfman family, through six separate holdings, own directly and indirectly approximately 53% of the common stock of Distillers Corp.-Seagrams Ltd., according to a U. S. prospectus on an issue of $50 millions bonds of Joseph E. Seagram & Son Inc.

As there are 8,769,350 common shares, par $2, of Distillers Corp.-Seagrams Ltd. outstanding, this would indicate that the Bronfman family owns around 4,647,000 shares. Value of this holding would be over $91 millions at the current market price of $19.75 a share.

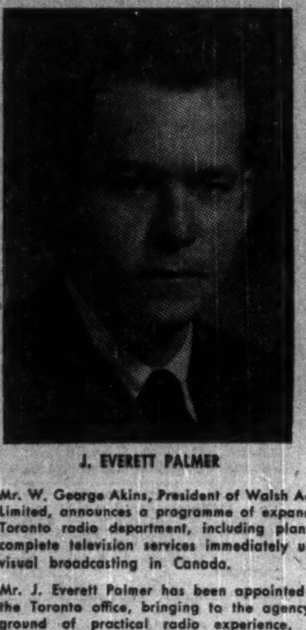
The largest holding, 40.07%, is that of Brintcan Investments Ltd. (organized under the laws of Canada), according to the prospectus. All of the stock of Brintcan Investments Ltd. is owned by Bromount Investments Ltd. (organized under the laws of Canada).

Bromount Investments Ltd. in turn is owned in the ratio of 36.5% by Brosis Investments Ltd. (organized under the laws of Canada) and 63.5% by Samuel Bronfman and Allan Bronfman individually and as trustees for their children.

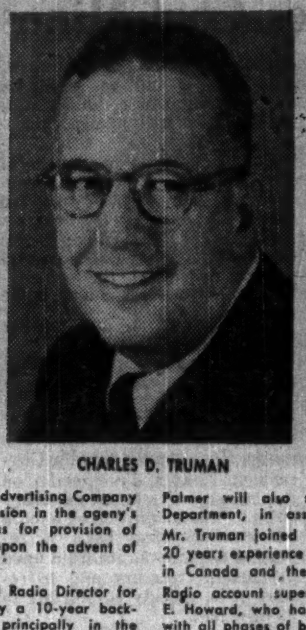
All of the stock of Brosis Investments Ltd. is owned by Brintcan Investments and members of the Bronfman family including Samuel Bronfman and Allan Bronfman.

Samuel Bronfman is president and Allan Bronfman is a vice-president of Distillers Corp.-Seagrams Ltd.

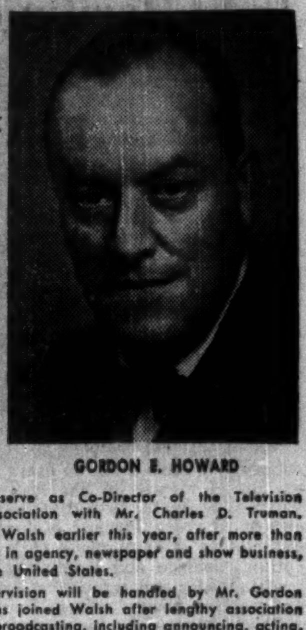
WALSH EXPANDS RADIO-TELEVISION SERVICES



J. EVERETT PALMER



CHARLES D. TRUMAN



GORDON E. HOWARD

Mr. W. George Akins, President of Walsh Advertising Company Limited, announces a programme of expansion in the ageny's Toronto radio department, including plans for provision of complete television services immediately upon the advent of visual broadcasting in Canada.

Mr. J. Everett Palmer has been appointed Radio Director for the Toronto office, bringing to the agency a 10-year background of practical radio experience, principally in the Maritimes. His work as programme director and assistant station manager on several stations has given him a keen understanding of radio as a direct selling agent. Mr. Palmer will also serve as Co-Director of the Television Department, in association with Mr. Charles D. Truman. Mr. Truman joined Walsh earlier this year, after more than 20 years experience in agency, newspaper and show business, in Canada and the United States.

Radio account supervision will be handled by Mr. Gordon E. Howard, who has joined Walsh after lengthy association with all phases of broadcasting, including announcing, acting, writing and producing. Mr. Howard has served with the CBC, had nine years of agency contact work, and a wealth of experience on national network shows. *

Edmonton Starts 5-Year Plan To Remedy Fire Dept. Shortage

From Our Own Correspondent

EDMONTON—City council has inaugurated a five-year plan to remedy Edmonton's fire-fighting deficiencies.

Recently findings of Mr. Justice G. B. O'Connor, who conducted an enquiry into a $2-million fire at the Northern Hardware building here, were announced. Included were reports of the Western Canada Insurance Underwriters Association and of Harold J. Burke, independent fire expert. The Underwriters increased commercial fire insurance rates for Edmonton 20% until fire hazard is reduced.

In implementing recommendations emerging from the investigation and reports, council is in the main utilizing recommendations it was prepared to go ahead with, even before the Northern Hardware building fire last spring.

These include expenditure of $2.3 millions to provide the fire department with more men and new equipment in the next five years. The first year calls for the expenditure of $650,000. Before the end of this year it is intended to add 54 to fire-fighting personnel.

A new chief is to be appointed to succeed James A. Magregor, retiring Dec. 31. If a younger Edmonton fireman can qualify, he will be sent on a course.

The $2.3 millions is only part of the city's expenditure to reduce fire hazard. Even greater amounts will have to be spent expanding the water system.

CITY OF EDMONTON, Alta. new issue of $3,800,000 debentures, dated Dec. 1, 1949 and due Dec. 1, 1950 to 1979, has been quickly sold by a syndicate headed by Bell, Gouinlock & Co. and Royal Securities Corp. The issue consists of 3% debentures due 1950 to 1959, sold privately; 3½% debentures due 1960 to 1964, offered at $101 and accrued interest, and due 1965 to 1969, offered at par, and 3¾% debentures due 1970 to 1979, offered at $101 and accrued interest. Proceeds are $2,275,000 for power plant, telephone and electric light system and $1,525,000 for waterworks and sewers.

Spending $4.5 Millions On Edmonton Schools

From Our Own Correspondent

EDMONTON—Rapid growth and likelihood of even greater future growth of the city has led Edmonton Public School Board to authorize construction of schools and additions that will total 122 rooms. Estimated cost will exceed $4.5 million.

Some of the projects will be completed in 1950, others by early 1951 and the remainder by September of that year.

In addition to the authorized construction, 10 portable schools will be built between now and September, 1950, to eliminate double teaching shifts in certain classes.

R. S. Sheppard, school superintendent, disclosed there are approximately 1,500 more students attending school in Edmonton than there were a year ago.

The CANUK LINE

A Canadian owned and operated Shipping Service between Eastern Canada and the United Kingdom. Members of the Canadian-United Kingdom Eastbound and Westbound Freight Conference.

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Investigate the advantages of Canuk now. Consult your freight forwarder for complete information concerning sailings and rates.

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THAT YEARLY QUESTION ?

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MAY WE SUBMIT FOR YOUR CONSIDERATION

AN ANTIQUE CHAIR . . . . . . *to fill that empty space in her living room or boudoir*

A CHINA FIGURINE . . . . *for her china or curio cabinet*

A SILVER OR CHINA TEA SET . . *for afternoon entertaining*

A SILVER WINE TASTER . . . . . *for her use as an ash tray*

A CHEST OR TABLE . . . . *for her continual admiration*

A GIFT CERTIFICATE . . . . . . *for her own selecting*

Competent staff to assist you in your selection, in an atmosphere of quietness, conducive to good buying.

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Open evenings for business men by appointment

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This symbol sets the seal of authenticity on the unique Harris Tweed — unique in the geographic environment of the Crofters who hand weave it in the Islands of the Outer Hebrides from virgin Scottish Wool — unique in traditional excellence.

HARRIS TWEED

★ Look for the mark on the cloth

★ Look for the label on the garment

Issued by THE HARRIS TWEED ASSOCIATION LTD.

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Jewel Creations for Christmas

Birks Jewel Studios bring you the world's finest diamonds in modern settings of supreme elegance, designed to show off every sparkling ray . . . to glorify every highly polished facet, as a superlative gift for someone who loves fine jewels . . . magnificently set.

A. Round and baguette diamonds, of graduated sizes, are set in this platinum Ring 1,800.00

B. Emerald-cut diamond set in platinum Ring, with two tapering baguette side diamonds 1,150.00

C. Marquise-shaped diamond, with tapering baguette diamond each side. Platinum 2,500.00

D. Cocktail Ring, set with numerous sapphires and diamonds. Platinum 1,000.00

E. Platinum Brooch, set with 61 round and 4 baguette diamonds 1,900.00

F. Twenty-two diamonds are set in this platinum Bracelet 3,000.00

G. Pair of Earrings, with eighteen diamonds mounted in platinum 1,800.00

Subject to prior sale

BIRKS JEWELLERS

LABOR ROUNDUP By RONALD WILLIAMS

Labor Discounts Big Wage Increases; Holds Comparison With 1939 Unfair

Taking shape this week is organized labor's angle on the fact that wages have increased faster than the cost of living.

On the face of it, the case against more pay raises now seemed air tight. Some rates have more than doubled. The average weekly wages in manufacturing was $44.26 Sept. 1. against $23.11 in 1939. Against this, the official cost of living index was up 62.2 points in Oct.

The CIO-CCL started to build the case in The Canadian Unionist, by attacking the comparison of 1939 with 1949. They brand 1939, the "hungry thirties."

"Living standards," they say, "should not be measured by the past. They should be high or low in accordance with the amount of goods a nation is capable of producing . . . not with the wages in 1932 or '36?

"Our national production has jumped from prewar output of about $5 billions to an anticipated $14.5 billions in 1949 . . . What should our living standard be now?"

There's the new line you'll be hearing.

• • •

Reds Barred From Office

Commenting on the Calgary recommendation that all known Communists be weeded out, the Trades and Labor Congress of Canada orders in the current issue of the TLC Journal: "All affiliated organizations are now expected to govern themselves accordingly." By last week two had; a third had sidestepped.

Winnipeg Labor Council took the first plunge by requiring all office holders to take an oath that they are not Communists nor identified with them.

Toronto, the biggest TLC affiliate, followed suit. The Communists were back where they were prior to 1942. Up to then, the constitution of the Toronto council barred both Communists and Fascists from office.

When Moscow switched from the Axis side to the Allies, all barriers against Communists were taken down. The Toronto constitution, like so many others, was amended, to bar only Fascists. Labor more than demonstrated its good faith and readiness to let bygones be bygones.

When the original restriction was rewritten back into the constitution, no one could accuse the Toronto council or the TLC of passing harsh or hasty judgment.

The Communists made no attempt to conceal the fact that the temporary alliance they had made nationally and internationally ended when the last shot was fired. They were back to the original revolutionary concept.

For three years the TLC tried to make a go of it, overlooking every Red misdeed, all in the interests of unity. Now the axe is finally out.

However, some TLC affiliates still hesitate to execute. Failure of the Vancouver council to start swinging is believed behind the withdrawal of the West Coast local of the strongly anti-Communist AFL Seafarers.

No explanation has been offered by the council, although an SIU official said the reason was made clear in its letter of withdrawal.

"We said there are certain Communist cells within the council," said SIU Port Agent Dick Deeley. "We have been ready at, all times to aid in bringing about their removal. Since the administration has taken no steps in this direction the SIU does not see fit to remain in."

Deeley said another factor was "certain lines of jurisdiction." This is said to be a reference to the former West Coast section of the Communist Seamen's union, now operating under another name and still affiliated with the Vancouver council.

It was a CSU-SIU clash which touched off the TLC purge. Vancouver observers are wondering if the same circumstances might not have the same result on the local labor scene.

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Newspaper Feud Involves Union

Since signing with the CIO American Newspaper Guild a year ago, the Toronto Star has been putting as much as $400 in some reporters' pay envelopes. The base rate for experienced men is $80 for a 40-hour week but with overtime at time and a half some newsmen have been drawing down whopping cheques. The peak came when the Noronic burned, and most of the news staff worked round the clock.

Last week the Guild applied to the Ontario Labor Relations Board for certification on The Star's afternoon rival, The Telegram. Earlier, a Guild organizing drive on the morning Globe and Mail petered out.

Meanwhile, Guild organizing was going ahead elsewhere. In Ottawa it has applied for certification on The Citizen. In Montreal organizing is proceeding on The Star, Herald and The Standard.

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CCL Ousts Red Union

Using non-payment of dues as the excuse, the Canadian Congress of Labor this week expelled the Communist-run Electrical Workers.

Already ousted from the CIO, the UEW with its 20,000 Canadian members is now completely isolated from organized labor. At the same time, the CCL Executive Council, meeting in Ottawa, accepted application for affiliation from the new CIO anti-Communist Electrical group, thus effectively blocking any avenue of re-entry to the UEW.

This made two unions tossed out by the CCL for following the party line against Congress policy. Earlier, the Mine, Mill union was expelled. However, the CIO axe has not yet fallen in the United States although it is poised. This leaves the CCL with only one minor Communist-influenced union within its ranks—the CIO Fur and Leather Workers. They claim about 8,000 members, mainly in Montreal, Toronto and Winnipeg. There are sizeable Red elements in two other unions: the Auto Workers and the Mine Workers but the leaderships are non-Communist.

Now the UEW has been cut off by the CCL, right winger organizing in UEW-held plants will be redoubled. While the UEW was still in the CCL, many CCLers hesitated to come out boldly for the new union. Now they can give full support with a clear conscience.

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Union Security??

One of a union's best selling points is the job security they promise workers. Let management fire anyone, and they've got a fight on their hands. Job security for union officials is something else, as four senior Canadian officers of the CIO Rubber Workers found out this week.

In a swift move, Joe MacKenzie, Canadian Director of the Rubber Union and three top officials were fired: Alfred Mustin, Kitchener; William England, Toronto and Allan Porter, research director, Toronto. Their offense: they backed the losing side in the tough internecine warfare which has rocked the Rubber Union for some time. It was strictly an internal row; Communism was not a factor.

Ironically for the dismissed Canadians, the knockout in the battle was administered in Toronto where the union for the first time held its international convention. There L. S. Buckmaster was restored to the international presidency from which he had been ousted by the Executive Board. MacKenzie was one of those who had voted to heave him out. When Buckmaster regained office, it was only a matter of time until MacKenzie and those who went along with him got the gate.

The case had another ironic twist. If management had done the firing, the least the union would have done was demand arbitration. More likely they would have struck as unions have recently.

When asked to comment on his action, Buckmaster, who lives in Akron, O., snapped: "It is not a policy of our unions to discuss firings with the press."

What makes the MacKenzie firing rankle more: the Canadian membership didn't have a word to say about it, one way or the other; MacKenzie was one of the union's pioneers, building it up from a puny 700 to a healthy 10,000; he is rated high by his own membership; he is president of the Ontario Federation of Labor and highly regarded by all labor.

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Litho Strike Really Over

This time there was no last-minute hitch in settlement of the Ontario - Quebec lithographers' strike. Last Saturday pickets were finally withdrawn from 36 plants in five cities to end the 23-week walkout.

Plants were to reopen Dec. 7 but employees reported Monday to pick up their retroactive pay (7c back to last January) and receive instructions on employment.

The original settlement bogged down at the 11th hour over the union's demands that everyone be taken back the same day whether there was work for them or not. With this impasse broken, the industry can now start to repair some of the damage the strike caused.

The basic terms are unchanged: 17c hourly increase; employer - employee financed pensions on welfare plan; no reduction in the 40-hour week.

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The Xmas Spirit

It looked like a dreary Christmas for 120 employees of Unit Crane & Shovel Corp., Milwaukee., Wis., reports CIO Steelworker Trends, the new management Newsletter for the steel industry. Because of declining orders, the company had to cut the workweek from 40 hours to 32.

After a week of this, the president of the CIO Steelworkers' local and some of the boys went to see Works Manager Earl Wiggins. They pointed out it was just too much to expect workers, with a bleak Christmas staring them in the face, to work as hard knowing that the faster they finished orders, the sooner there'd be another cut.

"We don't think the company will gain a thing by the cut," the union men pointed out, "and besides, it's going to make a lot of dissatisfied employees."

After a brief consultation with top management, Works Manager Wiggins made a proposition: guarantee eight hours work for eight hours pay and we'll run a 40-hour week up to the first of the year at least.

The union took him up. Asked by CIO Steelworker Trends about results, Wiggins said: "Plant productivity has definitely increased . . . efficiency of the individual worker has noticeably increased. While no definite figures are available, we conservatively estimate the increase at about 10%."

The union felt just as good about it. Said Emerson Miller, international representative: "This is the first such type of wholehearted co-operation here between a company and the steelworkers' union to try jointly to maintain a certain earnings level for the work. The unions get hell for a lot of things but where management is willing to co-operate, we are only too willing to go along too."

72,756 Pref. Shares Bought By Abitibi

Abitibi Power & Paper Co. purchased and cancelled 72,756 shares of its $1.50 preferred stock, par $20, up to and including Nov. 23, the company has advised the Toronto Stock exchange. This left 1,322,516 preferred shares still outstanding.

Purchase of these shares would involve the expenditure of over $1,450,000, The Financial Post calculates. As President D. W. Ambridge announced that directors had authorized the management to purchase preferred shares in the market on Nov. 10, presumably these shares have all been purchased since that date and company purchasing has been responsible for the market activity in this stock.

Auto Engine Bearing Plant Will Conserve U.S. Dollars

Canada this week gets another American branch plant promising to lessen the drain of U. S. dollars and increase the Canadian content of automobiles and trucks.

According to an announcement by Ontario Planning & Development Minister William Griesinger and his Trade & Industry branch headed by F. J. Lyle, Cleveland Graphite Bronze has formed a Canadian subsidiary, Clevite Ltd., which has bought the former Monarch Knitting plant in St. Thomas, Ont., for early production of sleeve-type automotive engine bearings.

Till now, Canada has imported all of its requirements for such bearings. Cleveland Graphite Bronze for some time has been shipping $700,000 a year of its products to Canada. Much of this business gradually will be transferred to the new company.

John W. Dixon, Cleveland, is president of Clevite, vice-president & treasurer of Cleveland Graphite Bronze. As general manager at St. Thomas, William H. Martin is coming from CGB's Bridgeport, Ohio, branch plant.

Clevite's initial production will be main and connecting rod bearings fabricated from coated metal strip supplied by the parent company. Other CGB specialties, such as bushings and washers, may be added as the business develops, Mr. Dixon said. Clevite expects to employ 50 to 75 at the start. Equipment installation will begin at once, it is stated.

ABOUT YOUR TAXES By STUART THOM, LL.B.

Statute Wording Confuses Case on Standard Profits

Adjustments to standard profits which the Minister had authority to make under section 4 of the E. P. T. Act are considered in the recent judgment of Mr. Justice Cameron of the Exchequer Court in the appeal of Eagle Lake Saw Mills Limited. The appellant's standard profit had been ascertained by the Board of Referees under section 5 (3) and approved by the Minister. In 1944, the capital employed by the appellant was reduced and such reduction was accompanied by an equivalent reduction in capital stock. In assessing excess profits tax for 1944 and 1945, the Minister based the tax on a reduced standard profit calculated in accordance with the provisions of section 4 (1) (b).

The appellant's argument was that its standard profit having been ascertained and confirmed, it could not later be adjusted under any other provision of the Act. The Court rejected this argument and held that sections 4 and 5 must be read together.

The appellant also argued that because its standard profit had been fixed by the Board of Referees, it must have been because capital employed was not an important factor and accordingly the Minister could not subsequently adjust the standard profit by reference to capital employed. The answer of the Court to this argument was that it was not supported by the evidence.

This appeal would seem to be a result of the unfortunate manner in which the statute was phrased.

Section 4 purported to confer a discretion on the Minister. In actual practice the Minister invariably exercised the powers conferred and the effect of the judgment is to indicate that it was never intended that he would fail to do so where circumstances warranted. The E. P. T. Act set a high-water mark for Ministerial discretions and bristles with provisions referring to the Minister's discretion or satisfaction. Section 4 is a good example of where such a policy of legislative draftsmanship overreached itself with resulting confusion and expense to taxpayers.

Odeon Reports Net Profit Up

Box office income and net profits of Odeon Ltd. are improving with the more adequate film supply, John H. Davis, London, Eng. (Managing Director of the J. Arthur Rank Organization) stated on a Toronto visit this week. Odeon Ltd. operates 10 theatres in Toronto, Ottawa, Brantford, London, Port Arthur and Fort William. Mr. Davis also announced that gross revenue and net earnings of Odeon Theatres (Canada) Ltd., which operates more than 100 theatres across Canada in addition to those operated by Odeon Ltd., for the 11 months ending Nov. 30 are ahead of corresponding period in 1948.

Canadian investor interest in the capitalization of Odeon Ltd. is represented by an issue made early this year of $2.5 million 4¼% first mortgage sinking fund bonds—since reduced to $125,000 through operation of the sinking fund. These first mortgage bonds are unconditionally guaranteed as to principal and interest by The Odeon Theatres (Canada) Ltd. Both Odeon Ltd. and The Odeon Theatres (Canada) Ltd. were set up from the beginning as self-contained operations managed by Canadians and functioning as independent organizations.

TOWNSHIP OF CORNWALL, Ont., new issue of $817,860 3½%-3¾% serial debentures maturing over 20 years, has been sold to a group headed by Harrison & Co. and including Bankers Bond Corp., J. L. Graham & Co. and Goulding Rose & Co. Purpose of the issue is for schools and local improvements.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ALGOMA STEEL CORP. net profit for the year ended April 30, 1949 was practically double the previous year at $4,035,956 ($2,019,299). During the year it reached and maintained a record level of operations. Production amounted to 1,228,077 tons coke, 894,220 tons iron and 871,043 tons steel ingots.

Record production resulted from sustained high demand for steel and unusually high demand for pig iron by Canadian foundries. This heavy demand was met by continued use of Bessemer converter plant to provide hot metal which accelerated usual open hearth steel making process, and by operation of all five blast furnaces and by general improvement in works, it is said.

Increased production together with slightly improved domestic prices and permission from Federal Government to participate more fully in export market at higher than domestic prices resulted in increase of approximately $16 millions in sales over previous year.

A total of $1,552,698 was spent on additions and improvements to plant and equipment and further reduction of $250,000 was effected in plant extension liability.

The subsidiary, Algoma Ore Properties Ltd. had a successful year, producing and selling at an advance in price 50,308 tons of Algoma sinter and producing in addition 78,000 tons after close of navigation. Damage done by fire on Jan. 1 last to sink float plant was covered by insurance. There is likelihood that the production of one million tons of Algoma sinter will be achieved at the Helen mine during 1950. Approximately 4/5ths of the production continues to be marketed in the U. S. Exploration during the year resulted in discovery on Siderite Hill of a body of siderite ore more extensive than either the Helen or Victoria with analysis as good as the Helen and Victoria. This discovery was made a few miles east of the Victoria on lands owned by the company.

Cannelton Coal & Coke Co. and Lake Superior Coal Co. had their most successful years.

Estimated amount of vacation wages payable in fiscal year ending April 30, 1950 but accrued in year ending April 30, 1949 has been provided for in determining net profit for this fiscal year. This provision amounted to approximately $485,000.

INCOME AND SURPLUS ACCOUNT

Years Ended Apr. 30:	1949	1948
Net earnings	‡$7,964,569	$4,804,513
Less: Loan int.	127,754	110,242
Prem. on bds. red.	......	13,330
Depreciation	1,233,593	1,124,534
Income taxes	2,567,266	1,537,108
Net profit	4,035,956	2,019,299
Less: Pref. divd.	......	42,880
Surplus for year	4,035,956	1,976,419

‡Due to accounting policy change: vacation pay of approx. $485,000 for fiscal year ending Apr. 30, 1950, charged before 1949 earnings.

Earnings per Share and Dividend Record:

	1949	1948
Pref.†: Paid	......	$2.50
Common*	$9.78	4.79

None paid.

†Redeemed July 1, 1947.

*On basis of capitalization after 4-for-1 common stock split on Oct. 17, 1949, earnings per share would be $2.44 in 1949, compared with $1.20 in 1948.

CONDENSED BALANCE SHEET

As at Apr. 30:	1949	1948
Cash	$2,541,996	$1,076,382
Accts. rec.	7,034,653	6,030,109
Inventories	12,185,747	8,773,224
Total curr. assets	21,762,396	15,879,715
Misc. assets	451,738	249,393
Investments	1,840,542	1,661,138
Fixed assets*	15,490,820	14,932,378
Total assets	39,545,496	32,722,624
Accts. & tax pay.	6,201,485	3,917,621
Other curr. liab.	1,504,847	867,462
Total curr. liab.	7,706,332	4,785,083
Plant extn. liab.	489,313	739,313
Conting. res., etc.	4,614,218	4,398,552
Capital stock	10,274,500	10,274,500
Distrib. surplus	2,832,723	2,832,722
Earned surplus	13,628,410	9,692,454
*After deprec. of	14,068,612	12,998,912
Working capital	14,056,064	11,094,632

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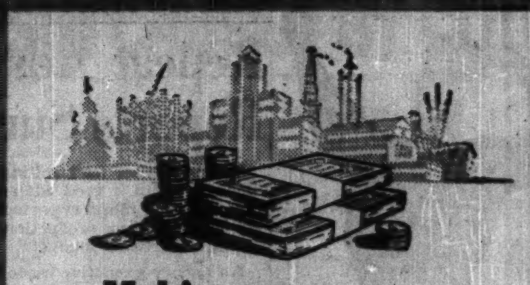

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Legal Opinion: Messrs. Daly, Thistle, Judson & McTaggart, Toronto

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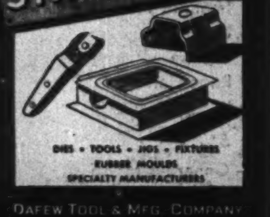

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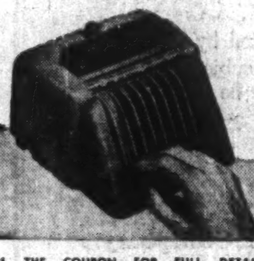

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THE ADVERTISING BUSINESS By WALLACE GILLESPIE

Repeat Ads Cut Costs, Emphasize Idea Reports Survey of Agencies, Advertisers

"An advertiser isn't getting his money's worth if good ads aren't repeated. It's more important to get coverage than production out of an advertising budget."

An agency executive made this comment recently on the topic of whether or not an advertisement can be repeated in the same publication — with beneficial results for the client.

Two years ago a study, financed by advertisers and agencies in U. S. and Canada, provided statistical data on the amount of new readership achieved by repeated advertisements.

This year, the sponsors of the earlier report set out to learn the extent to which its conclusions had been applied.

A follow-up questionnaire sent to the 302 advertisers and agencies who sponsored the original study or who were purchasers of its report brought in evidence that the principle of repeat ads has made headway. Out of 160 replies, 91% said they had repeated ads. Of the balance, most gave reasons applicable to their individual organizations (e.g. wide product lines, seasonal nature of market, etc.), to explain why they could not repeat. Only two were definitely opposed to the principle.

See Saving in Costs

Economy was cited by 31% of the respondents as a reason why repeated ads make sense.

Says one advertising agency: "It is an excellent means of turning nonproductive costs into productive space costs."

Another adds: "We have examined results as carefully as possible and find: (a) repeated ads have always been as effective, or more effective, than the first publication; (b) spreading art and production budgets on repeated insertion allows for adequate treatment and tolerable costs; (c) we have been able to save clients' money — as much as 16% of the total budget, and still prepare better ads."

A further questionnaire reply on the economy angle was: "As a general rule, with today's high cost of production, we feel it is better to put more money in circulation than in preparation. But —even if art, composition, and plates cost nothing — if it's a good ad and tells a convincing story, it's good business to work it again and maybe again."

Repeat Adds Emphasis

A second point stressed by 15% of the respondents, was that a good ad should, on its own merit, be repeated. On this point, an agency says:

"We feel that it is better to repeat an advertisement which has proved successful in a campaign rather than prepare a new advertisement of unknown effectiveness. When combined with copy testing, repetition brings both savings and results."

A second agency writes: "If one can work a second ad better than the first he should throw away the first. We have gotten our best sales increases on repeated ads, not on new copy."

Further comment: "Have used repeats prior to the test, and believe that repeated observation of an ad lends to, rather than detracts from, its effect. Have found that certain types of illustrations can always be relied upon to bring in large numbers of enquiries regardless of number of repetitions."

A cautionary note was injected by 7% of those who favored the repeat idea. Said one of these:

"The tendency to 'repeat repeats' from one to four or five times seems likely to diminish the effectiveness of a business paper schedule. I believe some work is needed to determine the point at which repeats are not advisable due to readers 'passing over' advertisements which they remember having seen."

Repetition, a number of respondents contend, is needed to get an idea across, to get full value from an ad.

"It is," said one respondent, "an old custom in the consumer field that by the time a manufacturer is tired of a campaign, the public is just waking up to it."

Further: "A single insertion of an advertisement can rarely be expected to be seen and read by more than a comparatively small percentage of the total potential audience. Particularly in the case of small-space ads, you can expect up to nearly 100% new audience, just on the basis of mathematical probability."

A technique reported by one advertising agency is this:

"We prepare a whole year's campaign in advance at one time, then schedule insertions so that identical ads do not appear in different publications in the same month. Thus an ad may appear in publication "A" in January; publication "B" in March; publication "C" in May, and then reappear in "A" in July — six months after its original appearance there. The only readers smart enough to notice this are our competitors and client's competitors — and neither we nor the client gives a damn because the plan allows us to make more consistant impressions on the average reader."

Two Opposed

The only two unfavorable comments received, out of 160 replies, were these:

1. "The advertisement itself enjoys greater recognition, but the aggregate readership of the company's advertising suffers."

2. "It's difficult to evaluate the effectiveness of repetition. I seem to think that it loses its value, but that may be because I'm a worry wart and feel that I'm not doing my job when I repeat an ad."

Twenty-four per cent of the advertising agencies which responded, and 10% of the group not so classified, said they would like to see further studies on the effectiveness of repeat advertisements. Most of the interest in further study centred in the consumer publication field.

The original study, which centred more in the industrial advertising field, had shown that, as the time interval between repeated advertisements increases, the recollection of previous appearance decreases to the extent that:

1. In a weekly publication, ads repeated at four weeks, or longer, intervals have little accumulated recollection of previous appearance and have approximately the same effect as the original insertion.

2. In a monthly publication, ads repeated at four or five month intervals have little or no accumulated recollection of previous appearances and have approximately the same effect as the original insertion.

3. The accumulated recollection of previous appearances is high for ads repeated frequently and is negligible for ads repeated infrequently.

Can. Car Profit Off: 'Unbalance In Operations'

MONTREAL (Staff) — Despite full occupation of Canadian Car & Foundry Co. plant facilities during the 1948-49 fiscal year, lack of domestic work available at the time export orders went into production created an unbalanced operation and cut profits, President Victor M. Drury stated in the annual report this week.

For the major portion of the year, company's car plants have been devoted to the production of rolling stock for export. Export business differs from domestic business, not only in the detail of manufacture but also in relation to the general financial arrangements, which entails increased carrying charges, Mr. Drury pointed out. Ordinarily, because of this, the company tries to maintain a balanced production of domestic and export work.

Net operating profit for the year ended Sept. 30, 1949, was down nearly 30% at $3.1 millions against $4.5 millions a year ago. Net profits, after receipt of $210,847 nonrecurring war claims, amounted to $1,395,663 ($2,580,445 in 1947-48) equal to $3.49 ($6.45) on the class A and $2.72 ($5.96) on the common, company states.

Company relinquished its lease on a St. Laurent plant rented from the Federal Government and has concentrated all its Norseman and Harvard aircraft operations in its own plant at St. Laurent. Company has abandoned work for the present on its Loadmaster aircraft, The Post understands, pending outcome of trials by USAAF.

Present orders on the books of the company should keep the car plants occupied for approximately six months of the fiscal year, and substantial orders from the two Canadian railways are expected whenever rate revenues have been satisfactorily adjusted in accordance with the applications of the railways to the Board of Transport commissioners, the president stated.

Fort William plant has been fully occupied producing gasoline and trolley buses; is completing an order for 100 PCC streetcars for Toronto.

CITY OF OTTAWA, new issue of $2,242,300 2%-3¼% serial debentures maturing over a 20-year period, has been sold by tender to a syndicate consisting of The Bank of Nova Scotia, R. A. Daly Co., Anderson & Co., Cochran, Murray & Co., Midland Securities and Fleming & Co. at a price of $101.412, or a cost to the municipality of 2.76%.

Jan. 16 is New Deadline For Edmonton Hotel Deal

From Our Own Correspondent

EDMONTON — Extension of time—subject to tightened clauses —has been granted in the option of John C. Boright, of Montreal, on a site to erect a new $6 million Glenton-Hilton hotel here.

Boright's original 6-month $1 option on the site expired Nov. 30. Now the option has been extended to Jan. 16, 1950. On that date $150,000 cash must be paid for the site or the option will be void.

If this money is paid, Boright must by May 10, 1950, convince city commissioners that necessary financial arrangements have been made for a $6 million hotel. He also must produce a credit of $2 million in an Edmonton bank for city-approved payments on construction work, or he will be penalized $25,000 of his $150,000 site payment.

Seen as Showdown

Object of these stringent rules is to bring to a head "a controversial deal that has been hanging fire" for more than 1½ years.

Council was told that the $2 million credit to be deposited in a city bank is to guarantee that construction continues if it is started. Ald. Bowcott had asked if payments to contractors for materials such as plumbing could be taken out of the $2 million credit. Commissioner Menzies reminded council "There's another $4 million in the picture to look after payment for materials."

Percy Herring, Edmonton real estate man who has acted as Boright's land agent here, said he had talked to the Montreal financier who realized the full meaning of the $2 million construction work fund. "He is agreeable," said Herring, "although for 30 years in all such dealing I have acted on, payments for materials also could be drawn from such funds."

An agreement of sale approved by council provides for 15,000 square feet of parking area around the hotel, taxes of $100 a room per year for 10 years, no mineral rights with the site, use of the building for no other purpose than as a first class hotel for 25 years after completion.

The hotel would not pay taxes for three years from the date construction is started or until the date the building is ready for use, whichever period is shorter.

If the C.N.R. receives a tax rate of $75 a room per year for its $4.5 extension to the Macdonald Hotel through a charter amendment, the same rate would apply to the Glenton-Hilton hotel.

During the discussion of terms of the option extension, Mayor Parsons commented: "If all contracts on the North American continent had included these stiff restrictions, very little of anything would have been built."

New Ford Line For 1950

Convertibles like this Mercury will be back in all 1950 Ford lines after an absence of three years. The new models which went on display last week retain the basic body lines of 1949 with re-styled grille and 50 other changes inside and out. The new convertibles have automatic top, safety windows all push-button operated.

Edmonton Okays 'War' House Sales

From Our Own Correspondent

EDMONTON—City council has agreed to a price of $200 for each lot on which 600 Wartime Houses in Edmonton are situated. Central Mortgage & Housing Corp., can therefore proceed with its plans to sell these 600 basementless houses to their tenants. Present ex-servicemen tenants not wishing to purchase the houses will not be disturbed.

The original agreement called for payment at $400 a lot. With the payment of $200 per lot, CMHC will be able to sell the houses at an average price of $4,000, with down payments as low as $375.

The city actually suffers no hardship in the "loss" of $200 a lot. Starting last Nov. 1, annual grants in lieu of taxes were $70, $75 and $80 per house. Prior to that they were $24 and $30.

But the moment a house is sold, it will go on the city tax rolls at normal assessment and taxation. The average taxation would be around $120. If all 600 Edmonton houses were sold, the city would gain about $25,000 a year in taxes.

CPR October Net Down $1.2 Millions

MONTREAL (Staff) — CPR net earnings for October were down $1.2 millions, leaving 10 months' results $1.5 million ahead of last year at that stage. October gross earnings were also down from a year ago. Comparative statement follows:

	1949	1948	Incr.
MONTH OF OCTOBER	$	$	$
Gross earns.	33,231,632	34,432,959	*1,201,327
Wkg. exps.	28,751,626	28,781,372	*29,746
Net earns.	4,500,006	5,671,587	*1,171,581
10 MONTHS ENDED OCT. 31			
Gross earns.	300,967,986	290,039,997	10,927,989
Wkg. exps.	287,964,735	278,553,585	9,411,150
Net earns.	13,003,251	11,486,412	1,516,839

*Decrease.

VANCOUVER, B.C. new issue of $3,550,000 3½% and 3¾% serial debentures, dated Dec. 1, 1949, has been sold by a syndicate consisting of A. E. Ames & Co., Dominion Securities Corp. and Wood, Gundy & Co. The issue consisted of $589,000 3½% debentures due Dec. 1, 1950 to 1955, sold privately; $468,000 3½% debentures due Dec. 1, 1956 to 1959, sold at $100; $683,000 3¾% debentures due Dec. 1, 1960 to 1964, sold at $100.50 to yield 3.70% and $1,810,000 3¾% debentures due Dec. 1, 1965 to 1974, sold at $100. Proceeds were for sewers, waterworks and street improvements.

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MODEL G17—$49.50
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The G-E Humidifier provides a clean healthy atmosphere and helps keep your staff "on the job", and comfortable. Inexpensive, costs nothing to install—just plug it in an ordinary 110 volt A/C outlet and fill it with water.

Available for immediate delivery—see your G-E Dealer today.

WQ-149R

CANADIAN GENERAL ELECTRIC COMPANY
LIMITED
HEAD OFFICE: TORONTO—Sales Offices from Coast to Coast

We are re-discovering

our own Frontier...

"The most noteworthy feature of the Canadian business trend during the year has been its relative stability . . .

"In Canada . . . we have a vigorous program of industrial expansion based not so much on the outlook for business next year or the year after, as on an appraisal of this country's magnificent long-term potentialities.

"We have gained self-confidence and "know-how" as an industrial nation, and in the field of natural resources we are re-discovering our own frontier. It may not be too much to suggest that Canada is currently undergoing a phase of dynamic growth which, relatively speaking, is not unlike that experienced by the United States in the years following World War I."

B. C. GARDNER,
President.

This is a quotation from the address of the President of the Bank of Montreal, at the Bank's recent annual meeting. If you would like to receive, on publication, a free copy of the complete annual report carrying this address, write to the Bank of Montreal, P.O. Box 6002, Montreal.

"MY BANK" TO A MILLION CANADIANS
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BANK OF MONTREAL
Canada's First Bank

WORKING WITH CANADIANS IN EVERY WALK OF LIFE SINCE 1817

How Ease Burden of Municipal Services?

The Question: To ease property taxes and increase efficiency what municipal services or obligations could be reduced, eliminated or transferred to another authority?

Answers to this week's Financial Post question clearly illustrate the diversity of opinion held on the financing of municipal services and obligations throughout the country.

Majority of replies do, however, see need of stronger measures being taken in regard to such items as primary education, unemployment relief, low rental housing, care of the aged, etc., and having these transferred to another agency.

On the other hand, correspondents believe that in the case of many social services, solution does not lie in the transfer of responsibility but in a change in the methods of financing. Federal and provincial properties in a municipality, some answers advise, should pay the same rate of taxation as the public.

MELVIN S. CLARKE, Real Estate Broker, Halifax.

Halifax is peculiarly situated in as much as about half the total assessment, largely federal and provincial properties, is exempt from taxation. If taxes were paid to the city by federal and provincial governments on the same basis as private individuals that would ease the burden of the citizens and provide increased amounts for municipal services.

All sanitary sewerage and garbage collection should be billed separately to individuals on the basis of use and not applied on the general rate. I believe that the upkeep of hospitals located in Halifax and available to everyone in the province should rightly be borne by the provincial government.

* * *

E. A. DANBY, City Treasurer, Brantford, Ontario.

While municipal property taxes have increased only slightly over the prewar period, most students of local government are convinced that certain present obligations have no bearing or relation to the ownership of property. Among these are administration of justice and direct relief which rightly should be spread over a broader base as their inception and development are not localized. The cost of providing low-rent housing is in many cases too heavy a burden on the other property owners due to providing land services and to loss in taxation. Any housing program should pay its own way. Consideration should also be given toward increasing education grants to a minimum of 50%.

* * *

STUART DARROCH, President, Edmonton Real Estate Board.

Federal and provincial government properties in the municipality should be made to bear the same rate of taxation as property owned by members of the public or that the equivalent should be made. Real property taxes should cover the whole cost of education and policing, and government should assume one-half the costs of these services.

The cost of maintenance of streets should be contributed to by diverting part of the proceeds of automobile licenses and gasoline taxes of the municipality. In the case of many of the provinces the sale of liquor is in the hands of the government. The use of liquor is one of the most fruitful causes at court and contributes largely to the high cost of the municipality's police force. Unnecessary contributions to various solicitations should be avoided.

* * *

FREDERICK G. GARDINER, K.C., Warden of York County, Ontario.

Municipal services which should be charged against real estate are those which have a direct relation to real property such as police and fire protection, water, lighting, sewers, roads, sidewalks, the municipality's share of local improvements and general municipal administrative services. Municipalities should be relieved from the cost of the whole or a substantial part of social services such as unemployment relief, the care of neglected children, the care of the aged, and substantially although probably not entirely, from the cost of education.

* * *

A. WALTHEN GAUDET, Secretary, Board of Trade, Charlottetown, P.E.I.

One of the major municipal services which today comprises a very large share of municipal expenditures, thereby constituting a heavy burden on municipal property taxpayers is the matter of education. One suggestion would be to have the provincial governments take over the direct administration of education throughout the provinces including our municipalities, thereby bringing to bear a greater uniformity and efficiency throughout same and relieving municipalities of this present costly field of expenditure. Let the governments in turn finance the whole scheme by way of some special educational tax which would be paid by all and not mainly by the property owners.

Educational facilities should be the best possible but due to lack of municipal finances they fall far short of such in many municipalities today. Again, too, if provincial governments were to return to their municipalities a fairer share of the motor vehicle license fees and gasoline tax, another heavy expenditure of municipalities today, namely the building and maintenance of streets and roads, could be financed more easily and not fall so heavily on the property taxpayers.

* * *

H. N. GLOVER, Edmonton Paint & Glass Co., Edmonton.

Considering geographical position of Edmonton and natural resources, it is my opinion municipal services are able to work economically and charges generally in comparison to other cities are considered reasonable. Although property taxes are not as low as everybody would like, it is difficult to see how any change in authority would ease the situation. Transportation has had difficulties, but in a rapidly growing city and the necessity for modernized equipment, this is to be expected. But it is considered that greater efficiency in municipal services is possible when there is close co-ordination between departments in all matters concerning developments.

* * *

WILFRED A. GREENE, Comptroller, New Westminster, B.C.

Civic property taxation must be reduced through three major steps.

1. Apply good business practice to civic government and increase administrative efficiency through modern office equipment, improved accounting, stricter budget making and financial control, modernize purchasing methods and personnel practice. Senior officials must be given responsibility to co-ordinate civic departments, eliminate duplication, increase efficiency and exercise greater administrative control over civic government, leaving elected representatives to policy making.

2. Place cost of education on a broader taxation basis through joint federal, provincial and municipal effort.

3. Place part of the increasing cost of fire protection on policy holders directly benefiting through arrangements with insurance underwriters.

* * *

ERIC HARDY, Director, Bureau of Municipal Research, Toronto.

We should not be too quick to assume that property taxes generally are overly burdensome or that the major objective in transfers of authority is increased efficiency. However, the marked expansion and changing character of certain services performed by local authorities is requiring and already bringing adjustments, particularly covering welfare, health, education, and roads.

Larger grants-in-aid for the social services, in answer to the growing demand for improving provincial and national standards, should still leave room for substantial local payments wherever local participation is valuable. But I recommend that the provinces assume major responsibility for public hospitals, make much larger payments for roads from the gasoline tax and, without waiting for Ottawa to take over, free municipalities entirely from responsibility for relief to employables—as heavy contingent liability and in some localities a present hardship.

Services to property including fire and police, should not be assisted by special grants. Co-operation, or if this fails, mandatory regulations, will bring required uniformity and performance.

* * *

T. D. LEMAY, Chairman of Council, Association of Ontario Land Surveyors, Toronto.

Municipal expenditures for the following services could equitably be transferred to another authority: primary education, low rental housing, emergency housing, unemployment relief, care of aged, care of chronically ill, hospitalization of indigent patients. In addition, federal and provincial governments should pay full local taxes and Federal Government should contribute to highway construction as under United States Federal Highway Aid Act which allocates $500 millions annually to state and local highway construction.

* * *

A. E. LePAGE, Realtor, Toronto, past president Toronto Real Estate Board and Ontario Association of Real Estate Boards.

General measures for increasing municipal revenue and lowering municipal costs would be to tax all provincial and federal real estate and wherever possible reduce and combine various municipal departments.

There is room for more co-operation and efficiency in municipal operations. For instance, in Toronto, the head of work department should co-operate with power and telephone officials in having wires buried while present underground work, street widening, etc. is in progress.

A co-ordinator, or somebody appointed for the purpose, should inspect every city job each day to see that there are not more men employed than required. This applies to snow shovellers, tree cutters and men on grading jobs. It is noticeable on city jobs that often the casual laborers are falling over each other and not working efficiently on account of there being more men on the job than required.

A tremendous amount of money could be saved each year if a bylaw were passed making it mandatory to shovel all snow from sidewalks on to the lawns, instead of on the roadways, where possible, thus making it unnecessary to haul so much surplus snow to the dump.

* * *

H. G. LONG, Editor, Herald, Lethbridge, Alta.

There is no doubt that municipal taxation is creeping dangerously high after having shown some reduction during the war. School and hospital requirements remain first charge upon property, and with present high costs of building and operation require taxes higher in many instances than those for purely municipal purposes. Lethbridge, for instance, is now investing $1 million in new schools and needs a new hospital which will cost $1.5 millions.

If even half capital and operation costs for schools and hospitals were undertaken by senior governments, as hinted in Rowell-Sirois Report, municipalities could look after their own strictly municipal requirements without imposing taxes which threaten to confiscate property, especially homes of thousands of young families who have been forced to build at high postwar costs and are consequently carrying heavy mortgages.

* * *

FRANK R. LOUNT, President, National House Builders Association, Winnipeg.

Federal and provincial governments should assume greater proportion of cost of education—if not all cost. Dominion Government should assume total cost of unemployment and increase proportion of health and welfare. Provincial governments should share some of its revenues with municipal governments, such as gasoline tax, amusement taxes and liquor profits to relieve already over-taxed real estate.

* * *

BRUCE J. S. MACDONALD, K.C., Windsor, Ontario.

I see little possibility of reducing or eliminating present municipal services. Schools account for approximately one-third of property taxes. All or a large part should be assumed by the province which establishes standards, instruction and requirements anyway. Local boards could administer or advise. Public welfare expenditures are large in cities and the result usually of national or wider economic dislocations. The Dominion with improved efficiency and economy should assume these expenditures along with other social services. Cost of hospitals is constantly increasing. Inequitable share is now on municipalities maintaining them. Policing in all but larger cities should be by province. Smaller communities cannot cope with modern criminal problems.

* * *

DAVID MACLELLAN, City Editor, Halifax Chronicle.

I am not an expert in municipal affairs, but can say the problem of Halifax is in persuading Supreme State to get off our backs and give us a hand. City exists because of harbor but almost all waterfrontage, capable of industrial or commercial development, is monopolized by Dominion and province, thus blocking sufficient expansion of local economy to carry our growing burden of municipal services. Thus to shift municipal responsibilities or curtail services would be mere expedients. Classic illustration is blunt refusal of province to cease using city's valuable waterfront industrial site for hospital purposes. The misfortune of Halifax is that most citizens depend directly or indirectly upon the government for a living and therefore are treated as, and vote as, dependents of Supreme State. Until they develop a fighting spirit, this city

(Continued on page 13)

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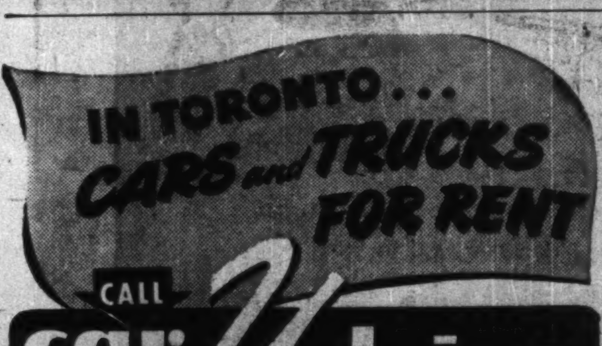

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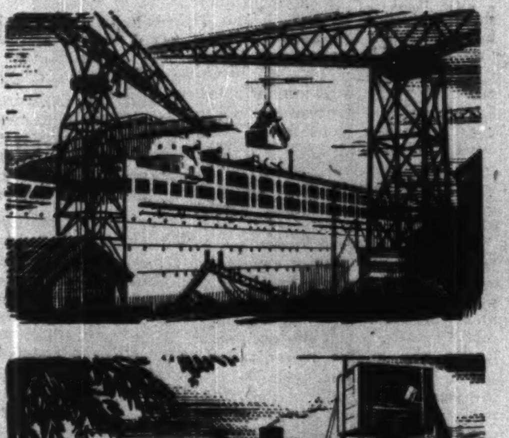

The largest merchant vessel to be launched in 1948, the 28,250-ton S.S. 'Himalaya' is now in service on the London/Sydney run. She was built at Barrow-in-Furness, England, where so many outstanding examples of shipbuilding have been carried out. Notable among these are the 12,500-ton 'Presidente Peron'—now sailing between London and Buenos Aires—and her two sister ships, at present under construction. These vessels have new standards of comfort for passengers and crew, and the most efficient cargo handling machinery to reduce 'turn-round' time—worthy products of the yards of Vickers-Armstrongs.

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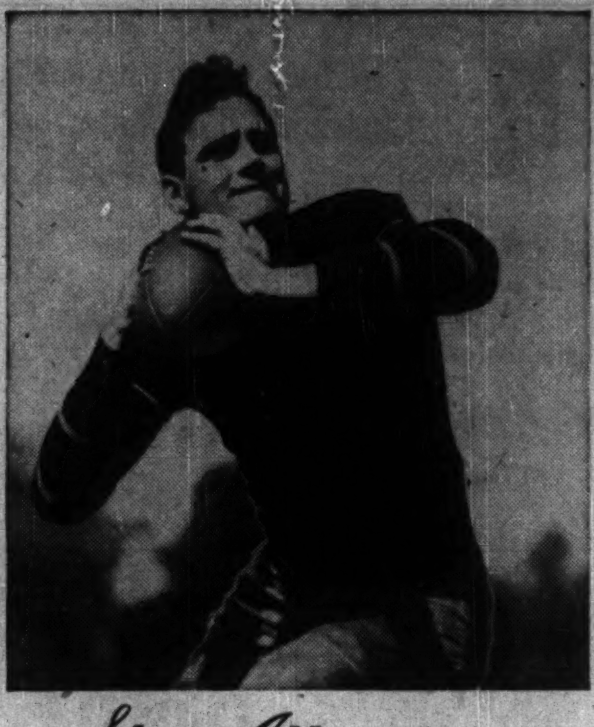

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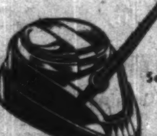

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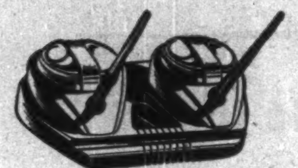

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How to Cut Fire Hazards on Ships

Construction Precautions, Operation Routine to Save Lives

Author of the following article dealing with fire hazards and fire prevention on passenger ships, Herbert J. Whitmell, is general manager, Midland Shipyards Ltd., Midland, Ont., and a member of the Institute of Naval Architects, London, Eng.

A noninflammable passenger ship is not practical. There are, however, some things which can be done to make passenger ships safer, more fire-resistant; some steps which can be taken to guard against heavy loss of life when fire occurs. The Financial Post here presents an analysis of some of the problems, suggestions for their correction.

By H. J. WHITMELL

Disastrous ship fires are rare, but at the same time it is well to consider calmly the main causes of such fires, what can be done to lessen the hazard and, in case of an outbreak, what can be done to minimize and contain the fire.

The cargo ship presents a problem comparatively easy of solution in many ways.

The passenger ship, where easy access to cabins, washrooms, saloons, etc., necessitates long unobstructed passages or alley ways with wide open staircases between the different decks, is a much more difficult problem to deal with.

Fire dangers can be divided into three main groups:

1. Those due to the carriage in bulk of the necessary fuel for the engines, if of internal combustion type, or the boiler fires if steam power is used.

In these days this hazard has been reduced to very small proportions by the better knowledge of the care needed in handling and stowing the various types of fuels and also by the simple mechanical means now available for flooding boiler and machinery compartments with CO^2 gas or various types of foam.

One thing to bear in mind is that nearly all these fire extinguishing agencies depend on the human element to put them in operation.

2. The electrical hazard and that includes "Act of God," lightning, static electricity generated by friction and dangerous where highly volatile spirits or oils and gases are concerned or the more frequent breaking down of insulation in old ships.

This may be due to plain old age or quite often due to the screws or fastenings of new additional fitments being driven through the woodwork and into unseen cables at the back. Even a close inspection would fail to reveal this class of hazard; only proper electrical tests with highly sensitive instruments would indicate possible trouble from this cause.

In a passenger ship, it is usual to keep as much as possible of the electric cabling out of sight in the cabins and saloons, as it would detract from the appearance of these handsomely decorated spaces; there is no question but that the wiring would be far safer if run in conduit and kept more readily accessible than is the case on many ships and this would tend to lessen the danger or hazard.

The Biggest Danger

3. The greatest hazard of all — carelessness and lack of thought.

This can be a contributory cause applying to Nos. 1 and 2 but it is the whole hazard where the smoker is concerned. That cigarette or cigar butt, so innocent in itself, a common sight anywhere and everywhere on a passenger ship, considering that anywhere around 5,000 are disposed of every day, is more readily capable of destroying life and property than any other agent aboard ship.

Wantonly thrown down on a carpet and only partly extinguished by the crushing foot; left burning and precariously balanced on the edge of an ash tray and forgotten when the occupant leaves the cabin; tossed overboard to be caught by an eddying current of wind and drifted in through an open port, possibly onto a bed, it commences its insidious work quietly and often unnoticed.

A small locked-up space presents the greatest danger, for the small supply of oxygen available is insufficient to create immediately the spectacular fire so easily seen and so rapidly detected but is enough to convert the whole interior of the space into a glowing mass of partially consumed material and generate, in the same manner as a piece of coal in a retort, a large volume of inflammable gases. The admission of copious supplies of oxygen by the mere opening of the door immediately releases an inferno of flaming gases. Carried along in the air currents in the passage, these gases ignite everything in their way capable of burning and the fire is rapidly spread.

Seeking the Cure

So much for "cause," the "effect" may be a small and inconsequential fire or a holocaust. What can be done about it?

The noninflammable ship is no more possible than the noninflammable hotel so long as passengers and hotel guests expect something better than a cell or prison dining hall.

Soft beds, drapes, carpets, comfortable settees and chairs, etc., are all fire hazards; the habits of some smokers cannot be regulated by rules and regulations; a personal appeal by the Captain at the beginning of a voyage might do some good.

It is possible to replace some of the present wooden fixtures in cabins and saloons with very excellent replicas in steel, but these cannot compare in appearance with polished hardwood and they are also liable to develop squeaks and chatters in sympathy with engine vibrations.

There are fireproof composite boards now procurable with plain and natural finish or veneered with thin metal sheets. These would be excellent material for cabin bulkheads, doors and saloon panelling, displacing the highly inflammable wood used up to the present.

In Stairways

One important "must" should be the definite exclusion of wood or other inflammable substances from any part of stairways and their surroundings.

Stair treads and the panelling of the bulkheads can all be made fire proof.

Decks can be covered with some of the many colored compositions in lieu of the usual rubber tiling.

Drapes and upholstery can be treated to lessen the danger of fire, but little is known as to how the colors and fabric stand up to the fire-proofing treatment.

There are many other directions in which improvements can be made when considering the fire hazard, and this is especially true of the use of certain brands of paints and varnishes.

Summing up, there is no doubt that much can be done to render a new vessel much less of a fire hazard than at present at considerable additional cost, but, to demand such measures be undertaken in existing ships would cost nearly as much as a new ship.

Fire proof bulkheads are demanded by some regulations. The idea of confining a fire to a certain section of the ship sounds, and is, desirable, but no one has ever given a clear cut answer to the question: "What orders should be given on the detection of a serious fire in any one passenger section, at say, 3 a.m.?" Would any officer take the responsibility of closing the fire proof doors until he was certain every living soul had been evacuated? The doors are not automatically operated and so, once again, we are dependent on human fallibility.

After Fire Starts

In my opinion, the best that can be done after eliminating as much readily combustible material from the passenger spaces as possible, without giving them the appearance of barracks, is to accept the fire hazard and concentrate on:

rapid detection;

rapid communication to the ship's officers and the passengers, by a reliable alarm system which would be rendered still more effective by the addition of loud speakers to the klaxons;

adequate fire fighting equipment with an assured high pressure water supply at all times at all fire hydrants;

and an organized crew to handle the equipment and marshal passengers to such a place as the officer in charge would determine, after consideration of the circumstances.

For rapid detection certain automatic warning devices, on the market for many years, are excellent in the field for which they were primarily designed.

The smoke detection system consists of small metal tubes, each with an open end placed in positions where it is considered that smoke from a fire would likely collect. By creating a partial vacuum in these tubes and leading them through glass observation tubes arranged in a cabinet in the wheelhouse or other such space, each tube lettered to correspond with its position in the ship, it is a simple matter to detect smoke clouding through any particular tube and know in the instant where it comes from. This system is intended for the holds of cargo ships.

Another system based on the rate of temperature rise in various parts of the ship, transmitted electrically somewhat on the thermostat principle, is excellent for the holds of a cargo vessel where the air is almost without movement. It is of little value in a passenger ship where the air, of necessity, is being constantly changed for the comfort of passengers and so subject to rapid flow.

Sprinkler System

The sprinkler system, like the parson's egg, is "good in places," but there are many objections to its use on ship. It involves much additional weight, is not very sightly, and can cause more damage than the possibly small fire that put the system into operation.

The services of "properly trained" men, taught to use their eyes and all other senses and trained in the way of fires, to patrol the whole 24 hours, is the best manner in which fires can be rapidly detected, even when in their incipient stage. The least important part of their job is punching the various time clocks on their patrol.

For rapid and certain communication, the wiring connecting up the alarm stations and officers' rooms and such other points, i.e., engine room, boiler room, wheelhouse, etc., should be in armoured cables and in duplicate with mains on each side of the ship and cross connected at every station. This will eliminate the chances of wires getting broken or burned by the action of the fire before detection.

Adequate fire fighting equipment is already assured by present regulations, but the absolute necessity is good water pressure always available, otherwise the equipment is useless. To insure that this can be readily checked at any moment and without having recourse to the opening of main valves at fire hydrants and flooding passenger spaces with water, small bleeder valves, say ½ in. bore, can be tapped into the firemain just behind the main valve. A small tundish or funnel immediately under this valve with a lead for waste water to the nearest scupper or wash basin drain, would enable the patrolman to check the water pressure visually by opening this small valve for a moment, allowing the water to drain away and reclose it with the certain knowledge that the fire main had water pressure.

The organization of the officers and crew would insure that the marshalling of passengers would be attended to by a definite group so instructed; hoses manned and extinguishers brought into use by another group. This would prevent the well meaning efforts of passengers from spreading the fire by opening doors before the means of fighting the fire are ready and assembled.

Fire drill should be on fixed days and at exactly specified times. The test of alertness would be how quickly certain hoses (different each practice) and equipment could be manned and how quickly, in response to directions on the loud speaker equipment, passengers could be marshalled to the different stations chosen, having regard to the assumed position of the fire.

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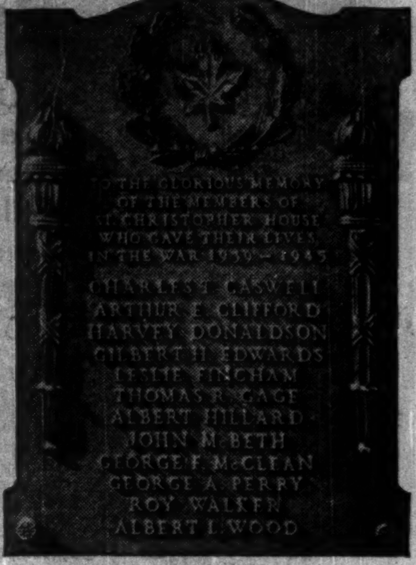

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1950 Business Outlook in U.S.

What is the outlook for business in the United States in 1950?

One answer, covering the first six months of the year, was given in a memorandum recently prepared by National Securities & Research Corp., the management and distributing organization for one of the largest funds, National Security Series. The memo, "Looking Forward Until June 30, 1950" representing the composite judgment of its analysts, was published in a recent issue of Barron's, U. S. financial weekly. Its conclusion was:

"It is our opinion that business activity, following the settlement of the steel and coal strikes, will resume at a relatively high rate during the remainder of this year. For the first half of 1950, we believe business generally will continue at the approximate average rate which prevailed in September 1949 (Federal Reserve Board Index of Industrial Production 172). Increased public confidence and a continuation of general business activity at this high rate would indicate corporate earnings and dividends at a level that could support stock prices generally higher than those currently prevailing. All factors considered, we believe surplus funds should be invested to take advantage of the relatively high income now available from many sound securities."

A digest, in tabular form, of its contents shows as follows:

	1948	1949	1st Six Months 1950
Industrial Production Federal Reserve Index—(1935-39=100)	195-186*	Jan. = 191 Current = 152 est. Year end = 174	172 (a)
Gross National Product	$262.4 billion	$250 billion	$246 billion‡
National Income	$226.2 billion	$220 billion	$215 billion‡
Personal Income	$211.9 billion	$210 billion	$206 billion‡
Employment—No. employed	61.4 million (a)	now 59 million to be sustained for rest of year	60 million (a)
—No. unemployed	2.06 million (a)	now 3.6 million not expected to reach July high of 4.1 million	4-4½ million (a)
Cost of Living—B.L.S. Consumers Price Index (1935-39=100)	171.2 (a)	Sept. 169.6 to decline to 167 by year end	Trend down 164 (a)
Wages and Strikes	Substantial reduction in number in 1950 as compared with 1949. No general fourth round of wage increase to workers expected. Labor costs to be increased due to social service and pensions.		
Price Trends (Indices 1926=100)			
Wholesale Prices of Farm Products (D. of C.)	....	Oct. 25 = 158.5 to decline to 155 before year end	To decline to 151
Wholesale Prices of Mfgd. Products (D. of C.)	....	Sept. 150.2 to decline to about 144 before year end	To decline to 142
Wholesale Prices of Semi-Mfgd. Products (D. of C.)	....	Sept. 148.0 to decline to about 144	To decline to 141
Wholesale Prices of Raw Materials (D. of C.)	....	Sept. 162.3 to decline to about 159	To advance to 160
Wholesale Commodity Prices (B.L.S.)	169.8-160.0*	Estimated now at 152.5 to decline to about 151	To decline to 148
Farm Income	$31.3 billion	$28 billion	$25.2 billion‡
Retail Trade	$129.9 billion	$126 billion	$121 billion‡
Inventories	....	Est. $50 billion	Unchanged
New Orders Index (1939=100)	....	Aug. 211 to decline to 205 by year end	205 (a)
Money Rates and Bond Yields	Short term rates to remain unchanged to middle of 1950. Long term rates to decline very slightly. Municipal bond yields to remain firm. No change in high grade corporate bond yields.		
Common Stock Yields. (Moody's 200 Stocks)	....	Oct. = 6.1%	5.9% (a)
Corporate Bond Financing	....	....	Little change from 1949
Equity Financing	....	....	Higher than in 1949.
U. S. Government Debt	....	Nov. 1 = $256.8 billion	To increase
Federal Corporate or Personal Income Taxes	....		No change
Money in Circulation		Nov. 2 = $27.4 billion. To increase $0.5 billion by year end.	Minor changes
Gold stock	....	Nov. 2 = $24.6 billion. To increase but at slower rate to year end.	No change
Bank Loans and Investments	....	Oct. 26 = $66.8 billion. To increase moderately to year end.	To increase moderately
Securities Margins	....	Now 50%	No change
Individual Savings	....	....	To increase
Foreign Trade	Higher—Foreign currency devaluation should stimulate imports and European aid help exports.		
Construction	$18.8 billion	$19 billion	Same to slightly lower rate
Working Capital all U. S. Corporations	....	June 20 = $66.7 billion (all time record high)	To increase
Corporate Earnings			
Railroads	$698 million	$450 million	+ 10 to 15%
Utilities	$862.5 million	+ 14%	+ 10%
Industrials	....	— 20%	Unchanged to — 10%
All	$21.1 billion	— 18%	Unchanged to off moderately
Corporate Dividends	....	+ 9 to 10%	Unchanged
War	U. S. will not be at war in Europe in the year 1950.		

*Year's range.
‡Annual rate.
(a) Average.

Shift Municipal Services To Ease Property Taxes?

(Continued from page 11)

will remain a government domain.

* * *

MARGARET J. ROWE, Womens Electors Association, Toronto.

Often made from a limited knowledge of the value received for taxes demands for economy prejudice the development of plans valuable to the taxpayer—pointing to the necessity of a comprehensive municipal public relations program.

Have taxes increased in proportion to increased cost of labor and material? Provincial acceptance of a larger proportion of education and welfare costs would lower property taxes. Administrative responsibility must rest with the municipality. Recognition of housing as the responsibility of all three governments would prevent extravagant expenditure on emergency housing. Better co-ordination of services in administrative departments would result in both increased efficiency and lower operational costs.

* * *

N. A. WHITE, Assistant Secretary, Dominion Mortgage & Investments, Toronto.

To ease the burden of taxation on real estate the cost of services not related to property should be financed by other forms of taxation. Welfare services and education are the two largest items in this category.

Your question implies that certain services or obligations should be transferred to another authority. This is true of unemployment relief which should be financed by the Federal Government and administered through its National Employment Services and Unemployment Insurance offices. In the case of many social services, however, the solution lies not in a transfer of responsibility, but in a change in the method of financing same.

Alternative methods of finance are: new municipal taxes not based on real estate, shared taxes, grants-in-aid or a combination of these. The first step is for municipal councils to make a real attempt to reduce expenditures. They talk loud and long about the tax burden on real estate and the next minute they voluntarily add to municipal services. Too many frills are being added to municipal services. Nothing will be gained if municipal councils spend on new and extended services any savings achieved through a transfer of services and this has been the recent experience in Canada.

E. P. Taylor Group Buys Edmonton Industrial Site

Financial interests headed by E. P. Taylor have purchased a 26-acre industrial site in south Edmonton. No immediate construction plans are being considered at the moment. The Financial Post is informed. The site, three-quarters of a mile long and 300 ft. wide, cost $52,780, or $2,000 an acre.

Tariff Talks, Next Sept. Slated Another 'Geneva'

OTTAWA (Staff) — Big trade items like plywood, canned salmon, heavy chemicals, ferro-alloys, alloyed steels, plastics, etc. are typical of the trade groups and industries likely to be most interested in the new 1950 trade negotiations scheduled for September.

No place has yet been decided for these talks but the final decision as to location will be made in February. The talks may well last six months; may prove as important in their way as the original Geneva negotiations of 1947.

The initial three-year period of the Geneva tariff rates ends Jan. 1, 1951. But rates continue in effect, unless notice is subsequently given that an individual nation wants to change them. Presumably if the new negotiations are not concluded by January, 1951, the Geneva rates will continue until a new schedule is prepared and finalized.

Canadian business has now been invited by the government to submit briefs in anticipation of these new negotiations.

At stake will be a wide range of manufactured goods. These include items where Germany, Japan and other prewar industrial nations were principal suppliers in the U. S. market.

If present hopes are realized, the September negotiations may become as important in the range of processed and manufactured items, as the original Geneva discussions proved to be in respect of farm and natural resource items.

Canadian firms are invited to submit written representations. Where these concern foreign tariffs, they should be sent to the Commercial Relations and Foreign Tariffs Division, Department of Trade and Commerce. Matters affecting the Canadian tariff are to be sent to the International Economic Relations Division, Department of Finance. These representations should be submitted not later than Jan. 1, 1950. Six copies are asked for. Points to be covered include:

1. A concise statement of concessions which Canada should seek from participating countries, including a clear description of the product involved.

2. Items on which tariff concessions by Canada might be either desirable or undesirable.

Main object of the discussions from Canada's point of view will be "enlarging the access of Canadian industry to external markets." In addition to countries which participated at Geneva and at Annecy at least three countries (Western Germany, Peru and Turkey) have asked to be included in the negotiations.

Negotiations will be carried on between pairs of countries on a product-by-product basis. Each country may request tariff concessions from each other country on those products of which it is or may become a "principal supplier" to that country. Any concessions granted will be extended equally to all countries which sign the agreement.

When the Geneva countries meet in executive council next February the place at which the negotiations will be carried on will be decided.

In addition to customs tariffs, negotiations may include the following: mixing regulations, tariff quotas, protection afforded by the operation of export and import monopolies.

Limit of the U. S. concessions under the Reciprocal Trade Agreements Act is a tariff reduction of not more than 50% of the rates in force Jan. 1, 1945. Any items reduced this amount at Geneva cannot be renegotiated so far as tariff rates are concerned.

Distillers Corp. 1st Quarter Net Pushes Higher

Consolidated net earnings of Distillers Corp.-Seagrams and its subsidiaries for the three months ended Oct. 31, 1949 amounted to $11,498,450 as compared with $11,302,411 for same period last year.

Profit before taxes stood at $20,451,450 ($19,627,411). Income and excess profits taxes were $8,953,000 and $8,325,000 respectively. The earnings figures are expressed in U. S. currency and subject to year-end adjustments.

Canadian Tire Has Record Year

Sales of Canadian Tire Corp. for the 11 months of the current year to Dec. 1 have shown a substantial increase and are at an all-time high. Profits will likely show a corresponding increase. Future prospects appear bright, President J. W. Billes states, and the company is looking for a record December sales month.

Net profit in 1948 amounted to $433,145, almost double the previous year and equal to $4.33 a share on the common stock.

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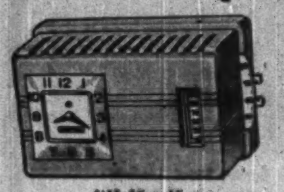

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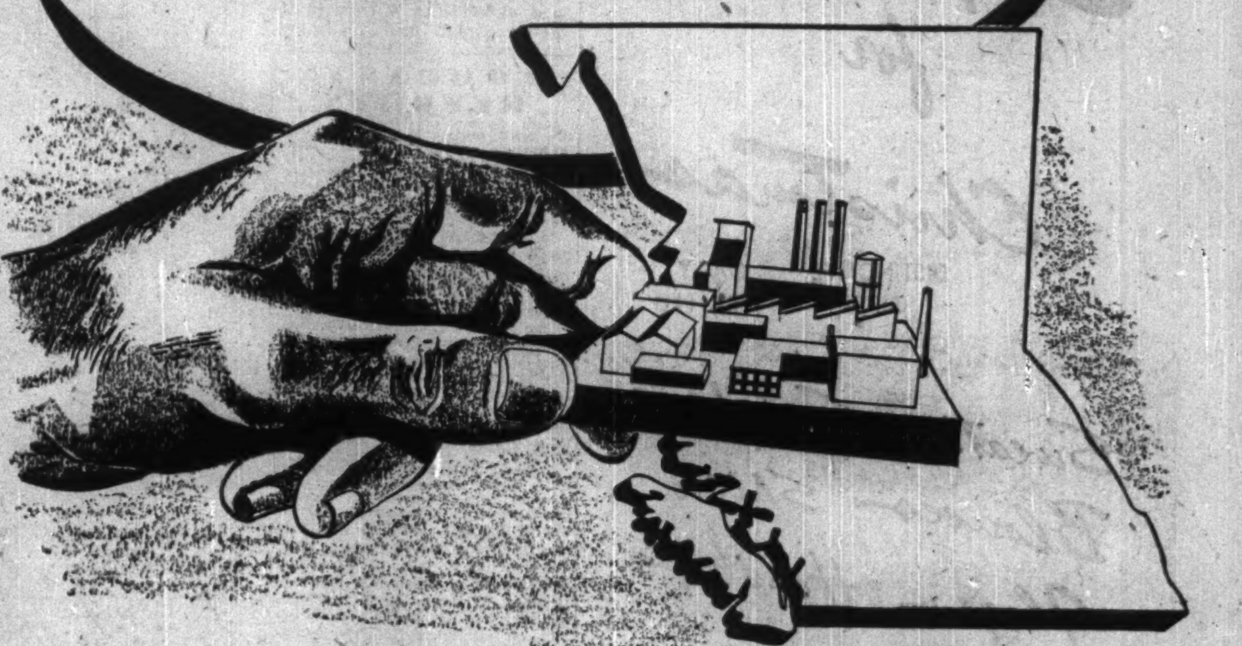

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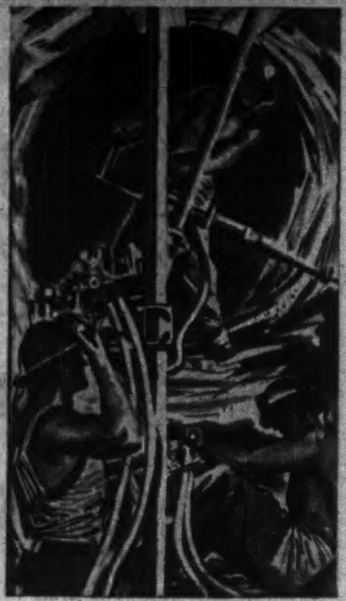

As year followed year, miners in the fabulous Robinson Deep mine in South Africa had to go farther and farther down to search for gold. But as they worked deeper, rising temperatures made mining almost impossible. To the rescue came Carrier Air Conditioning equipment. Now the yellow treasure is sought out by men breathing cool, clean air.

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What's New

New Products, Applications and Ideas Gathered from World-wide Sources or Made in Canada for the First Time

Raises Clothesline

"Hi-Hoyst" is Canadian-made product for raising and lowering loading end of pulley-operated clotheslines. Can be attached to any wall. Pulley is aluminum. Raises clothesline well above yard permitting clothes to clear any obstruction, dry faster, it is stated.

• • •

Enamel Sprays From Can

Enamel in spray cans ready for use is being distributed in Canada. "Spray-O-Namel" sprays right from can. No mixing required, it is claimed. Comes in chrome finish aluminum, white, black, red, green, yellow, light blue. One can said to cover 150 sq. ft.

• • •

Spray Wax

Household spray wax in the push-button Aerosol dispenser is said to enable a housewife to spray-wax a household of furniture in a few minutes. Comes in an easy-to-spray 12 ounce dispenser. No rubbing or polishing required, states New York maker. Wax is sprayed on and wiped off.

• • •

De-Icing Fluid

De-icing fluid in non-breakable Bakelite polyethylene atomizer assists in clearing sleet and frost from windshields and car windows. Both atomizer head and hinged cap are molded of the same plastic in a single piece, preventing loss of cap or contents of bottle. Fluid, when sprayed on turns sleet or frost into slush, which can be wiped clear by windshield wiper, Buffalo maker states.

• • •

Hearing Aid Battery

Rechargeable battery small enough for hearing aids developed by Minneapolis firm. "Silvercel" eliminates need to replace run-down hearing aid batteries. User places it in a charger and closes lid.

• • •

Waterproof Cloth Tape

"Mystik Self-Stik," all-purpose waterproof cloth tape, holds tight to practically any surface and may be painted or plastered over, Canadian maker states. Sticks by itself without moistening. Available in six colors.

• • •

Handbag Accessory

Purse-size plastic cases that hold small, but efficient clothes and suede brushes are announced by Connecticut firm. Case opens like a compact and houses either a metal fiber brush for suede or a bristle brush for clothes.

• • •

Duplicator

New model D-10 Ditto machine is now being built in Canada. Said to be a low-priced, simple, dependable duplicator.

• • •

Prevents Auto Rust

New salt product will tend to prevent rusting of car fenders and underbodies when used to de-ice streets and highways,

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

Kansas maker states. Uses a rust-inhibiting chemical, "Banox," claimed to form colorless, invisible, yet protective film on metal surfaces when street slush is splashed against fenders and auto underbodies.

• • •

Lamp Making

"Deks," tufted squares of Lumarith, a Celanese acetate plastic, are used in a make-it-yourself lamp kit. Contains everything except bulb and shade for making a complete lamp New York maker states.

• • •

Waste Paper Logs

New York company has obtained patent on machine to convert waste paper into fireplace logs. Incinerator stock would be utilized and waste paper compressed into logs similar in appearance to cordwood. Said to be longer burning, less expensive to consumer and cleaner to handle, both before and after burning, than wood.

• • •

Restores Chrome Surfaces

"Auto Chrome Finish," manufactured by Toronto firm, is designed to restore original beauty and polish to rusted and dulled chrome surfaces. Described as a fine quality aluminum enamel that dries quickly.

• • •

Automatic Iron

British-made iron being introduced to the Canadian market is said to be first fully automatic iron in Canada to sell below $10. Features include a "Tell-Tale" light which indicates when current is on, a heat-selector dial, quick-heating element and scientifically balanced construction.

• • •

E. J. TROTT

has been appointed a vice-president of International Paints (Canada) Ltd.

Printing Device

"Rap-Ad" is an imprinting device that bridges the gap between the rubber stamp and the printing press. Weighing 10 lbs., fits atop any wrapping machine and will print any slogan, promotion copy, or message on paper as it is unrolled. Major feature is new ink which, it is said, dries immediately and cannot smudge. Copy can be changed quickly for current promotions, New York maker states.

• • •

Calf Dehorner

Farm-Wise calf dehorner offered by Indiana firm is said to require only a 15-second application to stop horn growth. Consists of heavy duty heating unit with special interchangeable tips. One is for dehorning and the other for ordinary soldering operations. Heated dehorner tip is fitted over horn and slight pressure applied. Operates on 110-volt AC or DC current.

• • •

Non-Adhesive Paper

Silicone treated kraft paper said to be non-adhesive to rubber, asphalt, pressure sensitive tapes and most adhesive materials is offered by Michigan firm. Appearance, color and feel said to be same as untreated paper; tensile strength, tear resistance and moisture-vapor transmission not altered. New paper is water repellent, available in high and medium finishes. Maker suggests it for industrial applications such as interleaving sheets for uncured rubber stock, camelback, tire tube repair patches, pressure sensitive rubber tape, adhesive and friction tapes; can also be used to make shipping containers for asphalt, etc.

• • •

Darkroom Light

Photographic darkroom light with filter that rotates to red, yellow or green at turn of a knob eliminates need to tug a breakable glass plate out of a moisture-proof case and fumble in dark trying to slide it into lamp when you prepare to enlarge or print photographs, Cleveland maker states. Filter is made of three individually-colored segments of molded Bakelite styrene plastic cemented together in cylindrical form —8 inches in length and 6 inches in diameter—with steel end discs which fit on a yoke in the lamp. Plastic said resistant to cold, moisture and most chemicals. Since the colors are part of the plastic, they do not fade on long exposure to heat and light, it is claimed.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

MAPLE LEAF MILLING CO. net profit was off 60.1% for the fiscal year ended July 31, 1949, due largely to cancellation of large export flour orders in September, 1948.

The plant program, virtually completed, involving expenditures of $2,525,579 over the past three years, has been financed without resorting to borrowing. During same period, funded debt was reduced by $809,500 and working capital increased by $1,433,944.

Export business of Canadian mills again decreased. Lower production was reflected in keener competition in domestic as well as export markets. Cost of wheat to the mills was raised from a basic price of $1.85 bus. to $2 which necessitated a substantial increase in price of flour. Up to now this increase has not had a serious effect on Canadian flour consumption.

During the year the special inventory reserve of $1.1 million was transferred to earned surplus account. Improvement and extension program during the year included completion of the research building, warehouse, bulk flour storage and packing plant at West Toronto, additions to the feed plant and warehouse at Montreal and improvements at the Medicine Hat and Port Colborne plants.

CONS. INCOME ACCOUNT

Years Ended July 31:	1949	1948
Net earnings	$1,309,946	$3,005,368
Less: Depreciation	289,625	289,891
Bond & deb. int.	122,732	131,875
Income taxes	284,000	1,044,000
Net profit	613,589	1,539,602
Less: Divds.	213,425	321,233
Surplus for year	400,164	1,218,369
Times All Interest Earned:		
Before deprec.	10.67	22.79
After deprec.	8.31	20.59
Earnings per Share and Dividend Record:		
Common	$1.44	$3.60
Paid	0.50	0.75

CONDENSED CONS. BALANCE SHEET

As at July 31:	1949	1948
Cash & gov't bonds	$314,018	$362,541
Accts. rec.	2,754,725	2,383,659
Inventories	8,590,915	4,413,283
Total curr. assets	11,659,658	7,159,483
Prep. exp.‡	135,675	94,920
Other assets▲	492,987	631,840
Invest. in sub., etc.	2,152,463	2,131,253
Fixed assets*	5,065,380	4,338,204
Total assets	19,506,163	14,355,700
Bank loans	4,796,835	1,275,935
Accts., tax., etc., pay.	2,663,090	2,269,260
Ser deb. instal.	200,000	200,000
Total curr. liab.	7,659,925	3,745,195
Debentures	1,000,000	1,200,000
Funded debt	2,290,500	2,240,500
Emp. stk. res.	92,500	105,500
Capital stock	2,318,100	2,318,100
Less: Held by subs.	11,461	10,030
Surplus	†6,156,599	4,656,435
*After depr. of	3,609,188	3,410,886
▲Incl. ref. EPT	214,581	378,800

‡Incl. in curr. assets in co's. report.

†Includes transfer of $1,100,000 from spec. inventory reserve.

Working capital	3,999,733	3,414,288

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The Financial Post

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Our $8 Millions For Diplomats—and What We Get

15 Years Sees Tenfold Increase In External Affairs Service; We're Making Quite a Splash Abroad

By CYRIL BASSETT

In 31 cities of the world there's a piece of "Canadian" territory onto which the local policeman can't go. Inside are Canadians, working for us, smoking Canadian cigarettes tax free at six cents a pack and sometimes pouring tax-free Canadian whisky at a dollar or two a bottle.

This is our diplomatic corps.

In size, we haven't had much of a corps until recent years. Now we've got a diplomatic setup that costs us $8 millions a year and is the largest maintained by any of the Commonwealth countries outside of Britain.

Why? Is it worth it? What do these people do for us? Are these overseas jobs, living in fancy houses and working in fine offices, political plums? What's their value?

The short answer on what they do is:

1. A public relations job for Canada;
2. Get information, particularly information as to undercurrents and future events;
3. Handle formalities on the movements of persons, Canadian and foreign.

Making friends abroad for Canada, establishing and maintaining our dignity and rank among the nations has more importance and does us more good than might, at first glance, be apparent.

The first fact to be recognized is that every nation from Panama up has its diplomatic corps. As a people, we Canadians are notoriously prone to indifference toward formalities and outward symbols of authority, but among the nations a diplomatic corps is de rigueur to the same degree that a collar and tie is expected on the groom at his own wedding.

But apart from the angle of "what's expected of us," how are we taxpayers served?

Pretty handsomely in the main.

We don't make as much of a splash abroad as the Americans or the British and we don't spend as sumptuously as some of the Latin American countries. But generally speaking, we do a pretty good job of making it clear to the world that Canada is a nation of importance, dignity and civility.

The "Typical" Embassy

Stroll up the broad, beautifully tree-lined Champs Elysees toward the Arc de Triomphe in Paris. It was the highway for Hitler's triumphal entry in 1941.

On your right is a big, yellowish residence, the Canadian embassy. It's an oldish but superb mansion that used to be the home of the famous dancing Dolly sisters. What goes on inside?

Let's take a look at one large embassy.

Operational expenses are currently running at around $300,000 a year, including salaries.

Staffing it are the Ambassador, General G. P. Vanier ($10,000 a year) and 7 foreign service officers (at between $3,000 and $7,500 a year), at administrative levels.

For office work there are ten stenographers (including one locally employed for Mrs. Vanier), 16 clerks, two typists, and two messengers. Completing the staff are security guards, the Ambassador's chauffeur, an embassy driver, a gardener-caretaker, telephone operators and a locally employed housecleaning service.

The Paris setup cannot, obviously, be taken as typical in size of missions abroad. It is surpassed by Washington and London, in both of which the head of the mission is supported by a diplomatic staff consisting of counsellors, secretaries, information and consular officers and representatives of other government departments. Each, in itself, is an East Block (which houses the Department in Ottawa) in miniature.

Smaller missions consist of an ambassador, minister, or high commissioner as head of mission with one or two diplomatic secretaries, a commercial secretary and in some cases a service attaché.

At the bottom of the scale you find a job where the representative may fill the dual role of trade commissioner and consul.

Typical at any rate is the service provided by the Paris embassy to the Department at home.

For example, the Ambassador's report on the French Government crisis of last year. On this, he'd get together with his staff and prepare a factual resumé of the current situation; how it might affect Canada politically; who's who in the situation, etc. He'd base his analysis on interviews with political leaders and his own knowledge of the situation gathered in the course of his and his assistants' constant contacts with local authorities and observers from other countries and continuous research work.

Big Job of Reporting

Missions make regular reports, by telegram on events of immediate importance and by despatch on other events. Some missions supplement this reporting with regular confidential summaries (generally weekly or fortnightly) of political and economic events. These summaries are circulated to interested government departments and to other missions abroad so that the whole External Affairs service may get a broad perspective on world events as they occur.

As an example of the volume of work this entails, missions in 1948 reported to the department with 22,500 despatches and letters, 22,000 telegrams and teletype messages. From the department to missions went 20,000 telegrams and teletype messages, 27,350 despatches and letters.

Some of the impact on Parliament may be gathered by the fact that discussions on international affairs in the 1948 session took up 550 pages of Hansard. In 1936, Parliament devoted something like 27 minutes to an important issue in foreign affairs and rarely before 1947 was foreign affairs a subject of important debate.

Obviously in the present period of widespread postwar economic readjustment our missions abroad, especially in Europe, have been largely concerned with problems arising from these economic conditions as they affect Canadians. Such matters as assistance to Canadians in presenting their claims for compensation arising out of war damage or the nationalization of industries; interpreting Canada's foreign exchange conservation program; making representations on behalf of Canadians concerning import restrictions or foreign exchange regulations operating in foreign countries to the prejudice of Canadian firms or individuals; reporting to the Canadian Government on international economic organizations of which Canada is not a member such as European Customs Union Study Group, the Organization for European Economic co-operation.

Aside from all this it's the duty of missions abroad to represent Canada formally and informally on all occasions. This covers a broad field of what might be regarded as social activities but are essential to the representative's full understanding of what goes on in his territory.

Inauguration of heads of state, investitures, opening of exhibitions and institutions, memorial services, addresses to service clubs, universities, Chambers of Commerce, etc.—these are all part and parcel of the game for the head of the mission, who also is expected to entertain on a wide scale and, equally, be entertained. For the rest of the diplomatic staff all this is on a smaller scale.

Boosting Our Stature

How well our representatives abroad do their job cannot be readily assessed since it is so largely a combination public relations-intelligence effort and by its very nature results in such a field are never clearly and immediately visible.

One yardstick might be the work of Canadian representatives in the manifold activities of the United Nations and the international acclaim accorded to their achievements. Another might be the recognition given to Canada as prime mover toward the concept of the North Atlantic community of nations.

All this has done much, in conjunction with Canada's growing industrial might, to elevate the position of Canada among the nations and there can be little doubt that none of it would have been possible without an efficient external affairs machine behind the effort.

There can be little doubt either on the score of enthusiasm for the job. It's clearly evident, at least throughout the top levels in the department, to even the most casual visitor.

It can also be expressed in terms of applications to get into the service. Last year, for example, saw 300 or so applicants for five openings for foreign service officers and there are constant applications from officers in other Government departments for transfer to External Affairs.

Much of this enthusiasm may well be traced to the fact that the department in its present conception is such a new service, that promotions are fairly rapid, that there's little chance of a man getting stale on the job, for he's constantly on the move from post to post.

How new our diplomatic service is can be readily gathered from these broad facts of its growth:

—At the end of 1938 our total diplomatic service consisted of missions to six countries—U. S., U. K., France, Belgium, Japan and the Netherlands. Today we have 29 diplomatic missions abroad, 12 consular offices and four special missions.

—In 1935 there were only 21 foreign service officers in the department at Ottawa and in missions abroad. Today there are over 225.

—In 1938 the department itself was a mere adjunct of the Prime Minister's office with a total personnel at home and abroad of 170. Today it is a full-blown department of 12 divisions with a total of 1,200 on the payroll.

—For the fiscal year 1938-39 it cost little more than $1 million to run the whole business of external affairs at home and abroad. For the current fiscal year the estimate is $15.4 millions; $8 millions of which goes for running the Department proper, the balance going to meet various commitments and contributions to international organizations.

—In the years 1939 to 1945 strength of our representation abroad trebled; from 1945 to 1948 it doubled again.

Basic reasons for that growth can be broadly stated as follows:

1. The emergence of Canada in the last 10 years from semi-colonial status to that of a fully autonomous nation. The completeness of this transition sometimes would not appear to be as fully understood as circumstances demonstrate it to be.

2. The growth of Canada as a key trading nation and postwar economic developments which see so much of world trade bound up in inter-governmental action; our economic aid to U. K. and Europe, our part in ECA.

3. The wide international obligations Canada has assumed in the United Nations and other international bodies such as the World Bank, International Trade Organization, International Civil Aviation Organization, etc. (Canada's part in the League of Nations was insignificant by comparison.)

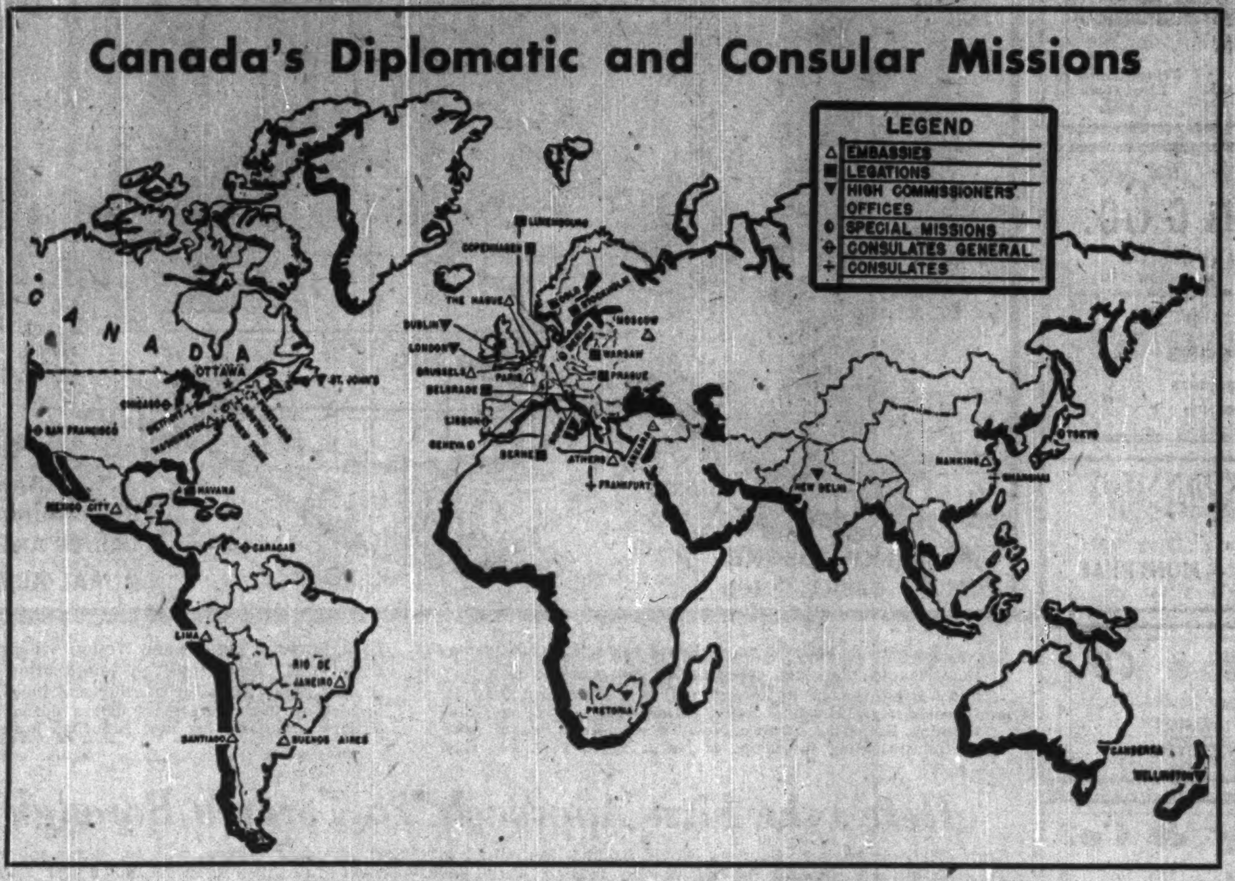
4. The general circumstances of, a "shrinking" globe—the air age and all that.

5. Canada's part in atomic developments.

6. Canada's role in the North Atlantic Alliance, and her growing importance as the bridge of understanding between United States on the one hand and Britain and Europe on the other.

Take the first of these reasons. Until 1909 (when the Department of External Affairs was first set up) the voice of Canada at the international conference table spoke with a

(Continued on page 16)



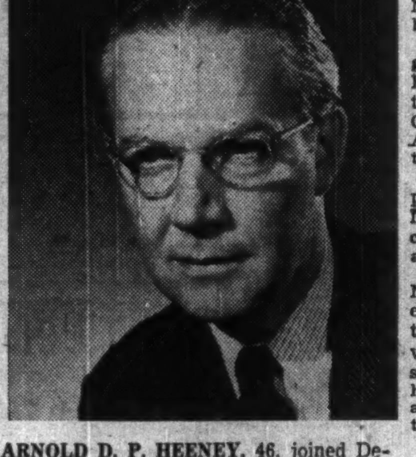
Decalogue For A Diplomat

How should the young diplomat conduct himself, what's expected of him? Here's how a member of the Department of External Affairs put it when asked to lecture to a class of newcomers to the service. He calls it Decalogue for a Diplomat, or The Ten Commandments of a Diplomatic Secretary:

1. **Thou shalt be ready** to turn thine hand to any honest work that is in the interests of thy country or that will advance thine own career.
2. **Thou shalt learn** to speak fluently the language of the country.
3. **Thou shalt appear** frequently in public places of good repute.
4. **Thou shalt treat** thy local underlings with consideration, hiring and firing with a view to the efficiency of the service, with a sidelong glance at local labor laws, and with a careful appraisal of the effect of thine actions upon local opinion; and thou shalt likewise treat thy subordinates who are thine own nationals with respect lest they leave thee in the lurch at five o'clock.
5. **Thou shalt be diligent** in the keeping of accounts and in guarding the secrets that are entrusted to thee.
6. **Thou shalt not criticize** the people, the customs, the institutions or even the climate of the country in which thou art a guest. In fact, thou shalt stoutly maintain that everything is wonderful except in countries dominated by Uncle Joe.
7. **Thou shalt cultivate** the right people who can help to promote the best interests of thy country; and in entertaining them thou shalt always remember that hospitality is compounded of cordiality and attention to thy guests including attention to their interest in receiving a drink within two minutes of their arrival.
8. **Thou shalt be careful** in the observance of protocol lest thou give offense; but thou shalt not take offense where none is intended.
9. **Thou shalt treat** visiting firemen with the utmost courtesy remembering that thou art their paid servant, and that it is in thine own interests that they return home happy and bearing good reports of thy work and thine attitude.
10. **Thou shalt never forget** that thou art a representative of thy country, and that thou must make a good impression by being courteous, prompt, and punctual at all times, by wearing always a shirt that is clean, pants that are pressed and shoes that are polished; and by having thy locks shorn and thy beard shaven at appropriate intervals.

THEY HEAD UP EXTERNAL AFFAIRS TEAM

LESTER B. PEARSON, 52, Secretary of State for External Affairs, joined the Department 21 years ago. He's first Minister to be appointed from ranks of the permanent civil service. Appointment followed distinguished service as ambassador in Washington and in Under-Secretary's post.



ARNOLD D. P. HEENEY, 46, joined Department in March this year as Under-Secretary of State for External Affairs. For nine years Clerk to Privy Council he has given administrative or policy polish to many matters of major importance in Canada's affairs.

Why This 'Filibustering' on Gas Pipelines?

Can Members Justify Their Attempts to Block Bids of Two Companies?

Rarely have any two private bills come in for such prolonged and heated discussion as those now before the House asking charters of federal incorporation for two western gas pipeline companies under the Pipelines Act passed at the last session.

What's behind the attempts to block these companies—Alberta Natural Gas Co. and Prairie Transmission Co.—from getting their charters? What are the objections raised against these companies? Why is it considered that they should be debarred from entering into competition with a third company (granted its charter at the last session) for the right to bid to build a pipeline from the Alberta gas fields to the Vancouver and Seattle area?

Who are the companies involved?

1. **Westcoast Transmission Co. Ltd., Calgary.** This is the company which received its charter April 30 last. Heading up the company is Frank C. McMahon, president, Pacific Petroleums Ltd., Calgary. Associated are Peace River Natural Gas Co. Ltd.; Sunray Oil Corp. of Tulsa, Oklahoma; Pacific Western Oil Corp. of Los Angeles; Tide Water Associated Oil Co. of San Francisco. Capitalization: 5 million shares n.p.v. Backers are believed to be the New York financiers, Eastman, Dillon & Co.

2. **Alberta Natural Gas Co., Edmonton,** now seeking a charter. Named as first directors are Ralph O. Campney, K.C., Vancouver; John J. Connolly, K.C., Ottawa; and Arthur G. Logan, attorney, Wilmington, Delaware. Associated with this company, it is understood, is Northwest Natural Gas Co., a subsidiary of Venezuela Syndicate Inc. of New York. Capitalization: 1,250,000 shares, par value $10 per share. Morgan, Stanley & Co., New York financiers, are believed to be backers.

3. **Prairie Transmission Lines Ltd., Calgary.** Named as first directors are: John G. Edison and John B. Aird, solicitors of Toronto; John R. Tolmie, Ross G. Gray and John G. Gray, solicitors of Ottawa. Associated is an Alberta-Winnipeg-Toronto syndicate. Capitalization: five million shares n.p.v.

Estimated costs of Westcoast's proposed pipeline have been put at between $125 millions and $170 millions; for the other two companies the estimated cost has been put at $100 millions each.

The bills for incorporation of Alberta Natural Gas and Prairie Transmission have each been talked out of the House seven times, and it now seems doubtful that either will get second reading in the current session. Even if they did, both would likely have to wait until the next session for third and final reading. Both have been through the Senate.

In contrast, the bill to incorporate Westcoast Transmission went through all processes in a scant five days in the dying days of the last session.

What's the vital difference between the two bills now subject to so much talk in the House and the Westcoast bill?

The answer is that in essence there is no difference. All three companies have asked for essentially the same thing: the right to incorporate a company to bid for the right to operate a natural gas pipeline on conditions to be subsequently laid down by the Board of Transport Commissioners, the Petroleum and Gas Conservation Board of Alberta and (where routing through the United States is involved) the U. S. Federal Power Commission.

Avowed ground of all the controversy is the matter of routing, and the likely export of gas to U. S. The claim of the opponents is that any pipeline going through U. S. might deprive Canadians of their own gas; might hinder industrial development in Alberta and B. C. undeveloped areas; might even result in Alberta gas being used to attract new industry to the U. S. northwest Pacific states at the expense of B. C. and Alberta development; might put Vancouver, as the terminal of the line, in an unfavorable supply position in times of heavy demand.

This all arises from the published claim of Westcoast that it would follow an all-Canadian route west from the Edmonton-Athabaska fields through Pine Pass to Peace River gas fields and thence south to Vancouver and Seattle via Prince George, Quesnel and Kamloops.

Alberta Natural Gas and Prairie Transmission on the other hand have both plumped for a southerly route through the U. S. Their proposed route would follow a path southeast from the Alberta fields through Crow's Nest Pass, leaving Canada at Kingsgate, B.C. and reaching Vancouver via Spokane, Portland and Seattle.

This was how matters stood at April 30, when Westcoast had its charter and that is how they stood at the beginning of the current session.

The Procedures Involved

Here it's important to take a look at procedures in this pipeline business for it's on this that charges of unfairness and discrimination against the two companies now seeking charters are laid.

Under the Pipelines Act authority over pipeline companies is vested in the Board of Transport Commissioners.

In the Act it's stated that:

"A company shall not . . . begin the construction of a pipeline, until,

"(a) the Board has by order granted the company leave to construct the line;

"(c) the plan, profile and book of reference of the section or part of the proposed line have been approved by the Board."

The argument is that the question of routing is no concern of Parliament's in its consideration of the bills to incorporate (in which there's no mention of proposed routing); that such bills should be considered only within the limits applied to consideration of any other bill to incorporate.

This was implicit in Parliament's approval of the Pipelines Act at the last session.

Since then, however, the members opposing the Alberta Natural Gas and Prairie Transmission bills have apparently had some second thoughts on their wisdom in rushing through the Pipelines Act in the dying days of the last session.

They're now claiming that this bill was not given enough consideration; that Parliament should have more say about what private companies do with Canada's natural resources.

Looking at the published plans of the two companies they're opposing they're saying in effect: These two companies want to deprive our areas of Alberta gas and sell it to U. S., whereas the company incorporated at the last session is willing to serve us, so don't let's allow these companies to get going.

And that's the essence of all the loud and impassioned argument that's so far taken up 20 hours of private members' debate time and delayed a score of other private bills.

Almost overlooked in all this heated debate is one vital factor: that it's neither Parliament nor the Government of Canada which has the say as to whether Alberta gas should be exported to U. S. or not.

The power of disposal over Alberta's gas resources rests solely and firmly with the Province of Alberta under its Gas Resources Preservation Act.

This Act is operated under the province's Petroleum and Natural Gas Conservation Board, and it makes it necessary for "anyone who produces or acquires gas in Alberta and wishes to take it out of the province for use or consumption elsewhere" to apply for and obtain a permit from the Board.

The Act provides that no permit shall be granted unless the gas concerned is surplus to the present and future needs of the people of the province.

It's also pointed out that Premier Manning of Alberta has argued that his Government should have the right to deal with any company; that no bona fide company should be refused incorporation.

Almost overlooked too is that Westcoast has had a complete change of heart about its plans to operate a northerly all-Canadian pipeline which several members have visualized, in their speeches opposing Alberta Natural Gas and Prairie Transmission, as bringing untold benefits in industrial development to the northwestern reaches of Alberta and B.C.

Here is what has happened.

On May 10, Westcoast filed an application with the Board of Transport Commissioners for a hearing on its northerly route.

On May 11, Westcoast filed another application for hearing on another route—precisely the same as that proposed by Alberta Natural Gas and Prairie Transmission, to reach Vancouver via U. S. points.

On Oct. 15, Westcoast filed a third route application, this time for a line to swing south from the Edmonton fields through Yellowhead Pass, thence to Kamloops and Vancouver.

On Nov. 15 when the application of both Alberta Natural Gas and Prairie Transmission had each been filibustered out three times, Westcoast withdrew its original Pine Pass application; decided to let the southern (U. S.) route application rest in abeyance; and proceed with the Yellowhead application, hearing which is set for Feb. 21, 1950.

Meantime, although it's insisted that the question of routing is not germane to these applications, both Alberta Natural Gas and Prairie Transmission, it's understood, would be fully willing to follow an all-Canadian route all things being equal.

But, it's pointed out, such a route would cost at least $20 millions more than the shorter southern route; would not offer the return that the rich U. S. market can offer; therefore, is an extremely unsound business proposition.

Who's Who in Debate

Who's who in all the debating that's centred on these two gasoline companies?

There are no party lines drawn here; they're mostly regional, mostly from Alberta and British Columbia.

A principal opponent has been George Cruickshank, Liberal member for Fraser Valley. It was Mr. Cruickshank who sponsored the bill to grant incorporation to Westcoast at the last session, who, in the debate on Nov. 15 said he "was rather flattered to be accused of organizing a filibuster" and who spoke of Westcoast's directors as being "the wealthiest and most responsible and reliable men in British Columbia." He added that these men did not try to influence him in his present stand.

Also figuring prominently in the opposition has been T. L. Church, the P.C. member for Toronto-Broadview, whose last speech (Nov. 22, when in an effort to dispose of the bills the Government gave over three hours instead of the usual one to private bills) took up 45 minutes of the debate and covered a wide assortment of subjects.

Other opponents have been: D. S. Harkness, P.C., Calgary East, who opened the first debate against Alberta Natural Gas Co.'s bill Oct. 28; A. L. Smith, P.C., Calgary West; Howard C. Green, P.C., Vancouver-Quadra; O. L. Jones, CCF, Yale (B.C.); E. D. Fulton, P.C., Kamloops; G. R. Pearkes, P.C., Nanaimo; Angus MacInnis, CCF, Vancouver East and Clarence Gillis, CCF, Cape Breton South (both of whom plugged the CCF line of public ownership of pipelines); H. W. Herridge, CCF, Kootenay West; E. G. Hansell, S. C., Macleod; G. M. Murray, Liberal, Cariboo; Stanley Knowles, CCF, Winnipeg North Centre.

Sponsoring Alberta Natural Gas Co.'s bill: Ralph Maybank, Liberal, Winnipeg South Centre; Prairie Transmission Co.'s bill: W. M. Benidickson, Liberal-Labor member for Kenora-Rainy River.

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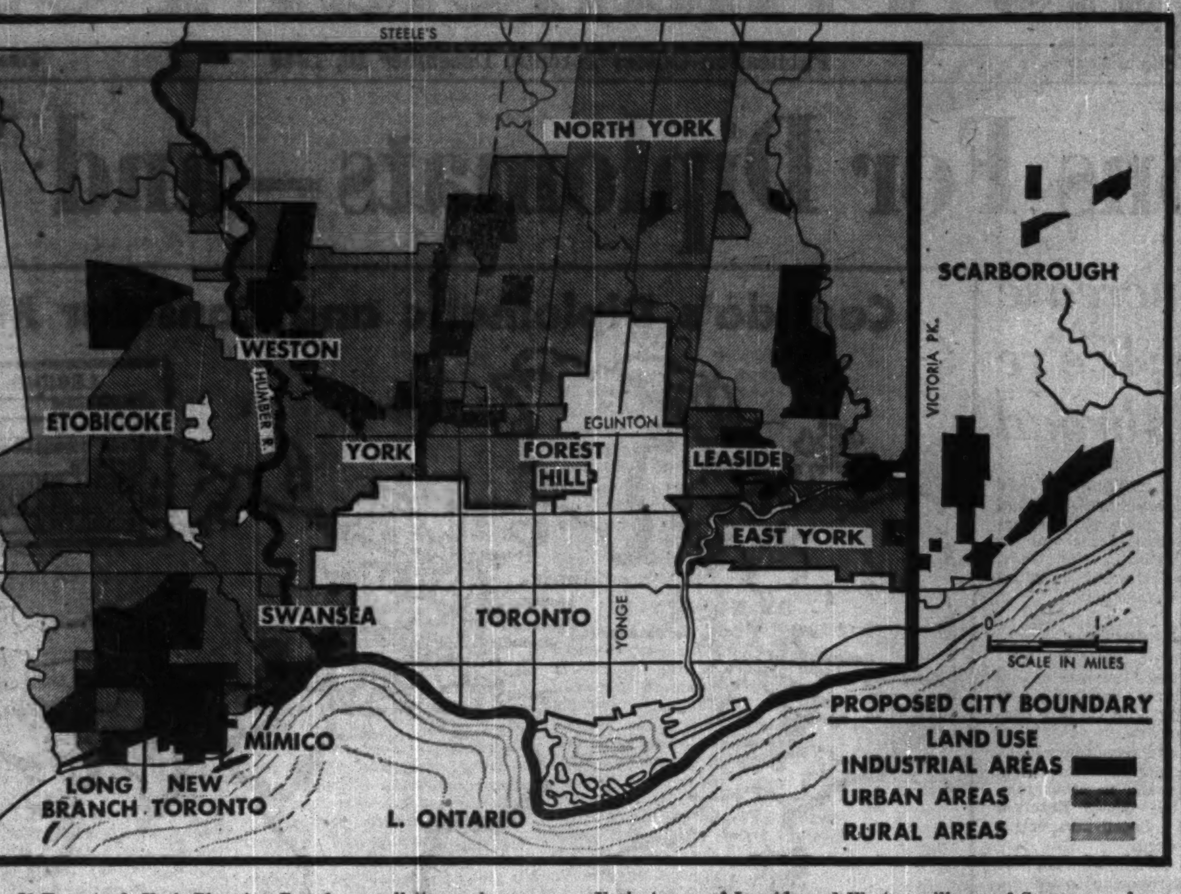
Is This How a Re-tailored Toronto Will Look?



If Toronto & York Planning Board can sell its amalgamation idea to the eight communities concerned, a new city about triple the size of Toronto will look something like this. It would have 121 square miles, 900,000 people, leave out Scarborough, Etobicoke, Mimico, New Toronto, Long Branch, take in the sprawling townships of North York, York and East York, towns of Leaside and Weston, villages of Swansea and Forest Hill. Amalagamation would bring within the city's borders many acres for housing and industrial development besides an extra racetrack, half a dozen golf courses, two airports and some big new suburban industrial plants.

Here's the First Approach To Toronto Borough Setup

Toronto's Civic Advisory Council next month will submit a detailed report exploring savings and efficiency which might be gained with adoption of metropolitan government for the 13 municipalities making up the "greater" community.

From the Toronto & York Planning Board this week came a preliminary sketch plan pointing part way in the same direction. The report advocates (a) outright amalgamation of Toronto and seven suburban municipalities as a new city of 900,000, and (b) unified planning and spending for highway, water, sewage and other public services in the whole area.

Eleven main proposals in this week's report:

Would bring within city boundaries the townships of York, North York and East York villages of Swansea and Forest Hill, towns of Leaside and Weston;

Suggest a municipal vehicle tax of $10 for automobiles and $25 for trucks to help pay for future roadbuilding in the area;

Would build an improved waterfront highway, a Don Valley roadway system and extensions of Spadina Rd. northward and the east-west Eglinton artery at both ends;

Propose a Metropolitan Transit Commission to handle all public transportation in the metropolitan area and take over all privately owned transportation companies;

Would unify water, sewage and storm drainage systems, with expansion of facilities in Toronto to handle such service for the new 8-in-1 city (meanwhile would stop developing services in the municipalities named until a unified policy is adopted);

Suggest a standard pattern for planned development and land use, residential 55%, commercial 2%, recreational 7%, industrial 12%, streets 20%, public and semi-public uses 4%;

Propose a green belt around the area for park and recreational purposes;

Would set aside 13 lots along the shores of Lake Simcoe as public parks and bathing beaches;

Urge study further reclamation of Holland Marsh to put under cultivation 13,000 undeveloped acres and build up a $20 million-a-year market garden industry;

All municipalities in the area would be asked to pass subdivision bylaws to control future development of urban communities springing up along highways;

County council to build up forest reserves of 20,000 acres to prevent flooding, erosion, and to raise water storage in lakes and rivers.

First reaction to the plan on the part of municipalities concerned was one of marked caution. It was "a good basis for discussion," mayors and reeves said. But there was no move for a formal huddle and community planning experts thought there wouldn't be until the advisory council adds its report.

$8 Millions for Diplomats, What We Get

(Continued from page 15)

British accent; treaty negotiations, etc., by and large, were all conducted by U.K. Government representatives acting on behalf of the Canadian Government but not always with a full understanding of Canadian needs and desires.

Plainly this arrangement could not keep pace with Canada's rapid approach to maturity. Plainly, sooner or later, there would be conflict between what was good for Canada and what was good for Britain. Inevitably, as the conflict deepened (and the order continued to obtain) Canada would come off second best.

The argument began to resolve itself with Versailles where the persistent Sir Robert Borden was able to gain at least partial recognition of Canada's new and emerging status in world affairs.

This status was enhanced — though not greatly advanced—by Canada's membership in the League of Nations. It took the Imperial Conference of 1926 to bring full and final recognition by the British Government but wide implementation by the Canadian Government—in terms of setting up a chain of representation abroad—did not come until the Second Great War.

With the Commonwealth Air Training Scheme established in Canada and with other matters of Commonwealth co-operation looming high in the general Allied war effort it became essential for Canada to establish closer relations with other Commonwealth nations. By 1941, with the exception of India, Canada had High Commissioners in each of the Commonwealth countries.

For similar reasons of defense co-operation ministers were sent to Russia and China (in 1942) and a single minister was sent to London to be accredited to the Allied refugee governments then set up there: Belgium, the Netherlands, Czechoslovakia, Greece, Norway, Poland, Yugoslavia.

The war also focused attention on Latin America as a new area for diplomatic representation. A deepening of common interests and a growing trade development between Canada and the South American countries (of which the postwar years have seen further expansion) impelled this development. First Canadian legations were opened in Brazil and Argentine in 1941; diplomatic representatives went to Chile in 1942, to Mexico and Peru in 1944 and to Cuba in 1945.

Since the war Canada's diplomatic and consular services has continued to expand until the line-up is now as follows:

Embassies in: Argentine, Belgium, Brazil, China, Chile, France, Greece, Mexico, Italy, The Netherlands, Peru, Russia, United States, Turkey. In addition, our ambassador in Belgium and our ministers in Norway and Sweden are accredited to Luxemburg, Iceland and Finland, respectively.

Legations in: Cuba, Czechoslovakia, Norway, Denmark, Poland, Sweden, Switzerland, Yugoslavia.

High Commissioner's Offices in: Australia, India, Ireland, New Zealand, Pakistan (to be filled), South Africa, United Kingdom, Brazil.

Consular offices in: Brazil (Sao Paulo), China, Portgual, Germany, Venezuela, the Philippines (to be opened), New York, Boston, Detroit, Chicago, Portland, San Francisco.

Special Missions in: Germany, Japan.

Permanent delegations to the United Nations in New York and Geneva.

The growth, as will readily be seen, has been rapid and spread over a short space of time. Now the department at home and the diplomatic and consular services abroad are in for a period of consolidation;

Some brief statistics give the broad outlines of the job that's being done.

In 1947, we find, Canada became a party to 17 multilateral agreements of various kinds, 27 bilateral agreements, seven trade agreements, 14 other agreements and a number of air agreements. In addition, Canada was represented, during that year, at 86 international conferences and meetings.

In 1948 the story was much the same: 24 multilateral agreements, 17 bilateral agreements, 90 international conferences.

Getting into the service is no cinch, neither are rewards great. Applicants must have lived in Canada for 10 years and hold a university degree preferably in political science, geography, history, economics or law. Credit is given for postgraduate work and knowledge of a modern language in addition to French and English.

Examination is in three parts; a written paper in essay and precis writing, economic, political and legal aspects of Canadian and international affairs; rating on the basis of education and experience; and an oral examination.

Age limits for entry as Foreign Service Officer, Grade I or Third Secretary are 23 to 31 with a starting salary of $2,880.

The first two years in the service will see intensive training. Every two to three months in the first year, the new Foreign Service Officer is shifted from one department to another, working under supervision of a senior officer, first in the functional divisions such as Information, Consular or Economic and finally to one of the Geographic Divisions, in which he is encouraged to take considerable responsibility.

This is all designed to familiarize the officer with the work of the department as a whole. Concurrently he will take a course of lectures generally lasting 7 weeks covering the whole field of departmental administration.

At the end of his run through the departments come more lectures lasting two months, covering special instruction in administration, consular and protocol duties.

After a little over a year in the department at Ottawa the junior officer is ready for posting abroad. He can express a personal preference and this is taken into account wherever possible. After two-and-a-half to three-and-a-half years abroad, depending on the climatic conditions of the territory to which he is posted, and other service exigencies he is returned for duty in Ottawa for a similar period.

Then he goes back abroad and so on until or unless he is wanted for a key position in the department.

The young secretary at a diplomatic mission will be called upon to perform a wide variety of duties. In the smaller missions, anyway, much will depend on the idiosyncrasies of the chief. If he's a desk man at heart, the secretary will do most of the public relations part of the job and vice versa.

In any case he will have many administrative duties. He'll look after accounts, the filing system, office routine. He'll be concerned with security arrangements, including coding and ciphering.

Consular duties will take up a major part of his time. If the mission is located at a port he will naturally become concerned with shipping problems, and personal problems such as those of the Canadian seaman who has deserted or simply got left behind through having too good a time.

He'll be expected to help all Canadians in distress whether it's the businessman who's lost his traveler's cheques or the Canadian who's gone plain broke. And if the Department refuses aid, the fledgling diplomat will dig into his own pocket.

He may frequently find himself jack-of-all-trades at the mission.

Ben Rogers, now in the Information Division at Ottawa, tells of the day in Canberra when both stenographer and messenger-cum-janitor—his entire staff as Acting High Commissioner—failed to show up.

Rogers spent that day receiving visitors, answering the phone, coding and decoding telegrams, typing his own letters, tending the furnace and anything else that came handy.

What about the diplomat's wife? She carries as big a share of her husband's job as any wife. She, too, is always on parade; the impression she creates is as vital as that made by her husband. In fact, the husband alone earns only half his keep—or less.

So highly is the wife's role regarded by the Department that consideration is being given to setting up courses of instruction for young secretaries' wives before they go abroad. At present it's the custom for the wife of the head of the mission to take the young secretary's wife in hand and explain the facts of diplomatic life.

About half the present officers are postwar recruits and to build up departmental strength and cohesion it's essential to get these men—and the dozen or so women who've recently won places in the service —thoroughly familiarized in all aspects of the department's work. For this reason—and a shortage of key officers who can be kept in one place for any length of time—no set departmental organization can be said to exist in External Affairs as it is known in other, longer-established departments nor is it presently considered desirable to alter the present fluid state of organization, the view being that a fluid foreign policy requires a fluid system of administration.

The service is largely a career service. Although around 20% of present higher appointments were special appointments it can be expected that some of these posts will be opened up to career men; department thinking is that it's to the benefit of the service as a whole to keep a balance.

U.S. and U.K. observers think this a good thing; a considerable improvement on the political system of appointments current in U.S. and the "class" appointments that have been a feature of the U.K. system.

Whatever the merits or demerits on our place and conduct in world affairs it cannot be denied that the international stature of Canada has grown immeasurably over the last decade.

And the young Canadians who are now sallying forth with an ambassador's baton in their knapsacks carry also a tremendous responsibility to hold that place for Canada.

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INCOME TAX

Out of Canada In 1950

I anticipate being out of Canada for several months during 1950, exact period not yet certain. What will be the effect on my income tax position of an absence of say (a) five months, (b) seven months?

As long as you don't permanently change your country of residence, you are liable for Canadian income tax on your world income. If, however, you are required to pay income tax to some other country, you can claim a credit for the taxes so paid, against the taxes you are called on to pay in Canada.

INVESTMENTS

Consumers' Gas Co.

Will you please give me some indication of the earnings outlook for Consumers' Gas Co. of Toronto?

It is rather interesting to note that annual output of gas by Consumers' Gas has increased every year since 1940 with the exception of 1944 which was just about the same as the previous year.

The slight downturn in sales for the fiscal year ended Sept. 30, 1949, of 3%, is due, of course, to the mild winter and spring. It is anticipated that if the current winter is at all an average one, sales will establish another record this year. The company has been meeting its dividend requirements quite comfortably during the last six years—profit in 1948 being $1,884,084 and dividend requirements $1,164,416.

An important long-term consideration in the outlook for this stock is the proposal to pipe Texas natural gas via Windsor and Hamilton to the Toronto area. The Union Gas Co. of Canada, Chatham, already has an option on sufficient gas in the Texas area to supply the whole southwestern section of Ontario. Engineering studies on the feasibility of this plan are in an advanced state of progress.

If such a plan materializes the position of Consumers' Gas would be considerably improved. There is strong likelihood that the gas would cost much less. If certainly would supply greater heating power. One important fact would be that it would allow the company to develop the huge untapped house-heating market in the Toronto area. This market has just barely been touched so far and it is not advancing rapidly because of the comparatively high cost of gas to the consumer.

Can. General Elec.

Please give me some information on Canadian General Electric Co. and its common stock. Is it controlled by General Electric Co. of the United States?

The common stock of Canadian General Electric Co. is currently quoted at $245 bid with no offering in the market. At a price of $245 the stock would yield about 3.26% on the basis of its present $8 annual dividend rate. This year the company declared an extra dividend of $4 a common share payable along with the regular quarterly dividend of $2 a share on Jan. 2, 1950, to holders of record Dec. 15.

Earnings per common share have been $27.49 in 1948, $16.04 in 1947, $12.16 in 1946, $13.46 in 1945, $14.59 in 1944, $13.66 in 1943 and $14.60 in 1942. The dividend rate was increased to $8 a share with the payment of $2 a share on April 1, 1940, and has been paid regularly since. The extra dividend declared for Jan. 2, 1950, is the first extra to be paid since the establishment of the $8 rate.

Volume of orders received and sales billed in 1948 were the highest in the history of the company, orders received being 31% and sales billed 26% higher than in 1947. The company's greatly expanded manufacturing facilities were not sufficient to keep pace with business booked, with the result that unfilled orders at Dec. 31, 1948, were in excess of those at the close of the previous year.

Capital expenditures in 1948 for expansion and improvements in manufacturing plants and distribution facilities amounted to $7,722,423 as compared with $4,828,600 in 1947.

Working capital amounted to $21,284,762 at Dec. 31, 1948, as compared with $19,570,169 a year earlier and with $19,886,837 at Dec. 31, 1945.

Capitalization outstanding at Dec. 31, 1948, consisted of 43,526 shares of 5% special employees preferred stock, par $50, and 188,845 common shares, par $50. Over 95% of the common stock is owned by the General Electric Co., Schenectady, N.Y. It acquired control in 1923.

Canadian General Electric Co. has the exclusive right to manufacture and sell in Canada all electric apparatus and appliances manufactured by General Electric Co., Schenectady, N.Y. In addition to the building of the fundamental lines of the industry, such as electrical energy plants and units, lamps and lighting installations, the company also manufactures radios, electric refrigerators, electric ranges, washing machines, vacuum cleaners, clocks, etc., and electric machinery for the mining and pulp and paper industries.

Anchor Pete.

Would you say that shares of Anchor Petroleums constitute a sound investment? I hold some shares in this company and would appreciate any information you can provide

We would classify shares of Anchor Petroleums as an interesting speculation rather than a "good investment." Until the day that exploration may reveal oil in commercial quantities, on the company's concessions, the undertaking is necessarily of an extremely speculative character.

Recently, Royalite Oil Co. completed an agreement covering the company's reservation in the Peace River area following the finding of oil at Normandville by Imperial Oil. It is expected that this agreement will relieve the company from further expenditures in exploring the ground, for the time being at least. It is understood that work under Anchor direction had shown some structural features which might be of significance in the search for oil.

Reservation covers 40,000 acres but only 50% of this can be retained by the two companies under Alberta Government regulations. Authorized capital of the company is three million shares of which 1,000,000 shares were issued for property.

10% Div'd. Tax Credit

Please advise me the wording of the budget resolution covering the 10% tax credit from dividends on shares of Canadian companies. Is this applicable on 1949 tax payments? How does it apply to family corporation?

Following is the text of that section of the budget resolutions covering the 10% tax credit from dividends:

"That, for the 1949 and subsequent taxation years, there may be deducted from tax payable by an individual resident in Canada, 10% of the amount of his income that is from dividends on shares in a corporation resident in Canada that was liable to corporation tax in the taxation year: provided that in the case of dividends deemed to have been received from a personal corporation the deduction shall only be 10% of that part of the income deemed to have been received by the shareholder as a dividend that the income of the corporation derived from dividends is of the whole income of the corporation."

In other words, the tax credit of 10% of Canadian corporation share dividends will be applicable to the year 1949 and will be deductible from the tax payable by an individual.

CITY OF HALIFAX, N. S. called for tenders this week for 3%, 3¼%, and 3½% bonds. The issue consists of $515,000 installment bonds payable in a five year term, $115,000 payable in a 10 year term, $550,000 payable in a 15 year term, and $1,820,000 installment bonds payable in a 20 year term. Proceeds are for schools, local improvements, a new fire station, and other purposes.

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Big US Demand Looks Good For Newsprint

MONTREAL (Staff) — With U. S. consumption running at new record levels, and showing no particular signs of letting up, the 1950 price and production picture looks optimistic, newsprint officials here say.

October consumption of 399,262 tons by reporting daily newspapers in the U. S. broke all previous records for any one month, according to the American Newspaper Publishers Association. Stocks on hand and in transit dropped to 38 days' supply compared with 45 days at the end of September and 36 days a year ago. Total estimated consumption was 505,395 tons, the first time it has exceeded the half million mark. One factor in the October showing was the fact that there were five Sundays during the month — the Sunday newspapers push up consumption totals.

Up 7% For 10 Months

Estimated 10 months' totals of 4,438,438 tons were up 6.8% over a year ago and 20.7% over 1947. Canadian production in this period was 4,324,689 tons (4,130,449 a year ago), and shipments to United States 3,604,555 tons (3,397,934). About 80% of U. S. supply in October came from Canadian mills.

Although U. S. magazine advertising linage was down 8.2% in the 10-month period, newspaper advertising was 2.6% higher up to the end of September (latest available).

Canadian shipments to countries other than the U. S. were down 10.5% at 387,311 tons (432,717), accounted for mostly by a sharp drop in sales to South America from 82,004 to 29,639 tons.

Britain's position with regard to Canadian newsprint in 1950 is not at all clear yet, producers here say. There were reports earlier that the U. K. would cut off Canadian newsprint altogether under its dollar-saving program. However, it was later stated that the British Government was reconsidering the situation in view of protests by British publishers that a complete switch to Scandinavian newsprint would cut off that market completely in the event of war with Russia.

The 1949 contract for 100,000 tons has not been affected. Total shipments by Canada to the U. K. to the end of October totaled 105,163 tons compared with 100,445 in the 1948 period. There was some talk this week that token shipments might be the order next year, but there has been no confirmation of this rumor either.

Laundries love Forsyth

Forsyth makes sure that the style and quality built into Forsyth Shirts *stay there.* That is why every Forsyth Shirt is *laundry-tested.*

This is the Laundry whose stiffest test
Finds Forsyth better than the rest;
Wash it—rub it—scrub it, too,
Forsyth comes out as good as new.

Yes, laundries love Forsyth. You, too, will appreciate the lasting good looks of your Forsyth Shirt. Never stretching, never shrinking, Forsyth stays crisp and fresh, with buttons anchored and fabric quality unspoiled, even after repeated washings. The soft, color-fast, shrink-tested fabrics, *so fine in texture, so tough in resistance,* make Forsyth *easy to wash, easy to iron, easy to wear.*

CANADA'S LEADING STYLISTS
The "Men's Wear" Oscar was awarded to John Forsyth Limited by Men's Wear dealers all over Canada for "The best creative styling job in the men's furnishing field".

Forsyth

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BELL TELEPHONE CO. OF CANADA has issued an additional 30,199 shares under terms of the Employees' Stock Purchase Plan. Issued capital is 6,315,348 shares.

Canadian Chartered Bank Executives Discuss Devaluation, Dollar Crisis

Marked growth of Canada's economy in recent years was stressed by Canadian chartered bank executives at annual meetings of the Bank of Montreal and Bank of Nova Scotia this week. The dollar shortage was seen as one of the great problems facing Canada as well as other countries, outside of the United States. Devaluation was seen as a step toward a solution, which must be followed by easing of international trade conditions, an expansion of trade between countries and greater control of government expenditures.

B. C. GARDNER, President, Bank of Montreal.

The most noteworthy feature of the Canadian business trend during the year has been its relative stability as compared with the course of developments in the United States.

In Canada, as in the United States, there have been cyclical forces operating on the down side. But in Canada, in large part offsetting these recessive influences, we have a vigorous program of industrial expansion based not so much on the outlook for business next year or the year after, as on an appraisal of this country's magnificent long-term potentialities.

We are however, confronted with difficult problems of external trade — arising out of maladjustments which come generally under the heading of "the dollar shortage."

It is by now apparent that the world dollar problem, of which Canada's is an integral part, is far more than a postwar dislocation. Although aggravated by two world wars, and one may add, by the tariff policies of the 1930's, its roots lie deep in forces at work even before the turn of the century . . .

Obviously, the greatest contribution that the United States can make to world recovery is a realistically liberal tariff policy, both as regards rates of duty and methods of administration, coupled as soon and as far as possible with a fair-sighted and courageous program of overseas investment.

The devaluations of mid-September must be regarded as a long stride toward realism. But coming as they have, the more drastic for being overdue, and in one single step rather than gradually through market forces, their very size and impact complicate the readjustments to the sharp changes in costs and competitive conditions inevitably involved.

Moreover, since the new rates, like their predecessors, have been established by governmental fiat, there can be no assurance now or in future that they reflect accurately the levels of comparative costs and prices in the countries concerned. Before many months have passed, some of the new rates may prove to be overvalued; some may be undervalued. And to the extent that such dislocations occur, the result will inevitably be to prolong reliance on restriction and bilateralism and to delay the return of convertibility.

I suggest, therefore, that it may well be time to ask whether the ends of expansion of trade would not now be better served by permitting a range of variation in exchange rates, cushioned perhaps by a stabilization fund designed to prevent violent short-term fluctuations. Such a move would take some courage but it could pay handsome returns in terms of a rate structure working flexibly in the direction of equilibrium. I suggest also that against a background of reality thus provided, the all-important problem of convertibility of pound and dollar might not prove as formidable as it now appears to be.

What is the ultimate goal of all these individual but related objectives? I suggest that it is the re-creation of an international economy capable of functioning "on its own," wherein goods and capital will move spontaneously in volume and directions necessary to enable nations now dependent on aid to become self-supporting.

* * *

H. L. ENMAN, President, Bank of Nova Scotia.

During 1949, we, in Canada, have witnessed a short-lived recession in the United States, we have been increasingly aware of losses in overseas export markets, and we have observed a continued if gradual shift from a seller's to a buyer's market. Yet despite these developments, business activity in this country has been well sustained. There has been some evidence of slackening in activity recently, but there has been no downward movement which could be described as a recession — even on the moderate scale of the downturn across the border.

In appraising our economic position it is well to examine the reasons for this relatively favorable record. Some of them are of a temporary nature and their sustaining influence is already waning. This is true of the large nonrecurring disubursements — some $450 millions in all — made last spring representing the repayment of the remaining wartime compulsory savings and the participation payments on the previous four wheat crops.

Another influence, which in the light of recent trade returns, also appears to be lessening, has been the high level of exports to the United States and to a few other countries such as India and South Africa. Other sustaining influences are still fully operative:— reduction in taxation, larger defense outlays, and certain other increases in government expenditures.

New citizens have helped to develop and broaden our economy. Their presence has enlarged rather than reduced the opportunities and the welfare of other Canadians. I emphasize these points because they indicate that we should continue to encourage immigration to the full extent that we can absorb new citizens. It is well to remember that the primary resources of any country are its human resources.

We have been losing markets not through lack of ability to compete but because of restrictions imposed by overseas governments designed to save dollar expenditures. This lack of balance in world trade, or as it is more popularly known, the dollar shortage, is, of course, at the root of our difficulties. Its seriousness is vividly illustrated by the recent sharp devaluation of sterling and many other currencies.

The recent devaluations are no more than a first step toward a solution of the dollar problem.

The rebuilding of a healthy system of international trade also depends greatly on the actions and policies of North America. There are two sides to the dollar shortage and it is up to the people of the United States, and also of Canada, to play their part in solving it. We, in North America, who so readily express our belief in the price system in such general though expressive phrases as "free enterprise" or "multilateral trade" have now got to show that we mean what we say in a really concrete way.

H. R. MACMILLAN

Chairman, H. R., MacMillan Co., Vancouver, has been appointed a director of Great-West Life Assurance Co.

BANK OF CANADA

	Nov. 30 1949 $	Nov. 23 1949 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,283,026,700	1,287,420,101
Deposits: Dom.	27,211,502	44,330,704
Chart. banks	544,725,919	543,916,185
Other	84,125,463	75,523,101
Total deposits	656,062,884	663,769,990
Liabs. payable in sterling, U.S.A. and foreign gold currencies:		
(a) to gov. of Can.	71,616,986	81,691,539
(b) to other	21,788	21,788
Total	71,638,774	81,713,327
All other liabs.	30,091,062	29,452,924
Total liabs.	2,055,869,787	2,077,406,709
Assets		
Sterling & for'n	66,138,774	76,213,327
Other curr.	58,060	54,331
Total	66,196,834	76,267,658
Subsid. coin	116,592	109,846
Investments:		
Gov. sh. term	1,713,911,376	1,724,119,229
Oth. gov. sec.	221,467,426	222,428,779
Other secs.	5,500,000	5,500,000
Total invest.	1,940,878,802	1,952,048,008
Total share cap. at cost	25,000,000	25,000,000
Premises	3,879,657	3,871,823
All other assets	19,797,902	20,109,374
Total assets	2,055,869,787	2,077,406,709

TRADERS FINANCE CORP. has converted an additional $330,000 debentures into class "A" common shares at rate of 50 shares class "A" for each $1,000 debentures. As a result, an additional 16,500 class "A" common have been issued making a total of 26,925 class "A" common shares issued to date. There are now 137,097 class "A" common shares outstanding.

Cheques Cashed Up in October

Canadian business transactions by bank cheques in October, continued the increase shown in earlier months over the corresponding periods of 1948.

Total bank debits were $8.3 billions, a gain of 8.8% over October, 1948.

Gains were shown in four of the five economic areas: Maritimes and Newfoundland 17.8%; Ontario 13.1%; Prairies 11.2%; British Columbia 14.3%. Quebec bank debits were 0.9% lower. The rise in the Maritimes was due to the inclusion of the Newfoundland figures in 1949. Excluding these, the area showed a decline of about 6.6%.

For the 10 months, cheques cashed totaled $70.6 billions, an increase of $5.7 billions or 8.9% over 1948.

Comparative figures follow:

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS
(Millions of $ in October)

Prov. and Clearing House Centres:	Oct. 1949 $	Sept. 1949 $	Oct. 1948 $
Maritimes & Nfld.:			
Halifax	86.0	84.0	86.0
Moncton	32.4	32.8	33.5
Saint John	41.8	39.4	51.2
St. John's	41.8	40.7	......
Total	201.3	196.8	170.8
Quebec:			
Montreal	1,983.7	1,971.0	1,961.4
Quebec	189.8	207.7	232.6
Sherbrooke	26.2	23.2	25.6
Total	2,199.7	2,201.8	2,219.6
Ontario:			
Brantford	34.4	36.9	37.1
Chatham	26.6	24.6	23.3
Fort William	18.5	19.6	21.2
Hamilton	177.2	160.4	176.4
Kingston	18.5	21.3	20.2
Kitchener	42.0	38.8	37.2
London	108.7	95.2	95.6
Ottawa	385.8	322.0	315.7
Peterborough	24.7	22.8	23.6
St. Catharines	30.0	30.7	34.1
Sarnia	27.4	27.0	27.5
Sudbury	24.1	23.4	22.4
Toronto	2,289.3	1,930.3	1,994.8
Windsor	118.9	119.2	112.9
Total	3,326.5	2,872.4	2,942.1
Prairie Provinces:			
Brandon	15.0	14.5	14.8
Calgary	280.4	244.3	223.4
Edmonton	167.9	160.2	150.3
Lethbridge	24.8	23.3	24.1
Medicine Hat	10.2	9.2	11.1
Moose Jaw	26.8	23.4	25.5
Prince Albert	14.0	12.6	13.3
Regina	234.2	215.6	185.2
Saskatoon	47.6	45.3	42.0
Winnipeg	1,076.0	1,048.1	1,016.3
Total	1,897.0	1,796.5	1,705.8
British Columbia:			
New Westminster	29.7	27.2	28.4
Vancouver	567.1	476.3	511.6
Victoria	106.8	84.4	75.2
Total	703.5	587.9	615.2
Total for Canada	8,328.1	7,655.5	7,653.1

IT ISN'T COMPULSORY
...but Wise Men are doing it!

In our way of life a man is allowed to manage his own affairs. He can choose his own job and live where it suits him. He can spend his earnings in any way he pleases. He can set aside as much of his income as prudence dictates to safeguard the future of his loved ones through life insurance and at the same time provide for his own declining years.

That is why life insurance is so vital to the economic needs of our people. It is so adaptable it can be planned to the exact requirements of individuals and families under the most widely varying circumstances.

Why take the future of your loved ones for granted? Wise men seek expert advice. How recently have *you* reviewed your own life insurance needs? We suggest you talk it over with a representative of the Manufacturers Life.

THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE (Established 1887) TORONTO, CANADA

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With total assets of over £275,000,000 and with over 800 branches and agencies throughout Australia, New Zealand, Fiji, Papua and New Guinea, this Bank is better equipped to facilitate trade with these countries than any other institution there.
BANK OF NEW SOUTH WALES
British & Foreign Department, Sydney, Australia

Insurance Institute, Winnipeg, Presents Graduating Diplomas

At the inaugural luncheon meeting of the Insurance Institute of Winnipeg, diplomas were presented to four graduating students: casualty course, John H. McCallum, Cum Laude, (Canadian Fire Insurance Co.); fire course, John H. McCallum, Cum Laude; Reginald S. Hobday, (Insurance Co. of North America); Stanley A. Scudder, (General Accident); George V. Lowe, (Osler, Hammond & Nanton). Presentations were made by Jack Venables, president of the W.C.I.U.A.

The Harrison Memorial Scholarship for the highest three-year average in the fire course and the Jas. A. Dowler scholarship for similar standing in the casualty course were both won by John H. McCallum (Canadian Fire). A letter from the Insurance Institute of America was read stating that Mr. McCallum had also won the Institute Inland Marine prize for 1949, his average of 95% being the highest mark, received in either the January or May examinations.

Charles R. Francis, past president of the institute, presented a life membership to George E. Budden who had acted as secretary of the Insurance Institute of Winnipeg for about 18 years.

Staff Changes

Chartered banks announce the following staff changes:

Toronto:

J. S. McMILLAN, formerly manager, Waterloo, Ont., to be manager, Brockville, Ont., succeeding B. F. A. LEWIS, retiring.

B. M. CURRIE, formerly manager, Peel St., Montreal, to be manager, Ottawa main office, succeeding GEORGE HAY, retiring.

W. A. WALTERS, formerly attached to head office supervisors department, appointed manager, Peel St., Montreal.

B. COLLINS, reappointed manager, Coronation, Alta., due to ill health of H. DESROCHES.

E. B. LITTLE, formerly manager, Smiley, Sask., to be manager, Cartwright, Man.

W. J. STONE, formerly accountant, Coronation, Alta., to be manager, Smiley, Sask.

D. M. WALKER, formerly accountant, Sherbrook & Westminster, Winnipeg, to be accountant, Coronation, Alta.

G. G. WILCOX, formerly accountant, Kyle, Sask., to be assistant accountant, Winnipeg.

R. C. THORSTAD, formerly accountant, Cardston, Alta., to be accountant, Kyle, Sask.

J. L. PORTZ, formerly accountant, Hodgeville, Sask., to be accountant, Marwayne, Alta.

R. H. LINDSAY, formerly assistant accountant, Preeceville, Sask., to be accountant, Dawson Creek, B.C.

J. A. S. PATERSON, formerly accountant, Cobourg, Ont., transferred to Toronto.

J. E. JACOB, formerly accountant, Omemee, Ont., to be accountant, Cobourg, Ont.

J. L. MAXWELL, formerly attached to St. Marys, Ont., to be accountant, Omemee, Ont.

G. E. STEPHENSON, formerly assistant accountant, Brantford, Ont., to be accountant, Dunnville, Ont.

F. A. S. TRAVISS, formerly attached to Toronto main office, to be accountant at Dundas & Ossington Sts., Toronto.

* * *

Nova Scotia:

R. W. McCAIN, to be an assistant manager, Winnipeg.

J. A. BURT, to be accountant, Bank & Gloucester, Ottawa.

* * *

Royal:

J. A. BROWNE, Georgetown, B.C., to be manager, Mackenzie, B.C.

A. J. MACKENZIE, head office, to be manager, Hintonburgh, Ottawa.

W. McFAULL, accountant, Saskatoon, to be assistant manager, that branch.

F. RILEY, assistant accountant, St. Catherine & Bleury, Montreal, to be accountant, that branch.

T. A. EDDY, Melfort, Sask., to be accountant, Arcola, Sask.

M. R. GRAHAM, Dutton, Ont., to be accountant, Paisley, Ont.

M. E. WILKIE, Halifax, N.S., to be accountant, Windsor, N.S.

R. J. KENNY, Paisley, Ont., to be accountant, Waterloo, Ont.

W. C. A. LANGFORD, audit office, Regina, to be accountant.

J. A. S. LUMSDEN, supervisor's dep't., Winnipeg, to be accountant, Saskatoon.

J. G. LAMONT, Regina, to be manager, Churchill, Man.

J. E. TAYLOR, to be assistant manager, Regina, Sask.

W. A. E. BERRY, Stanley St., Montreal, to be accountant, St. Catherine & McGill College, Montreal.

C. S. ROBERTSON, to be accountant, Monkland & Beaconsfield, Montreal.

D. E. ROUMIEU, Smithers, B.C., to be accountant, Langley Prairie, B.C.

C. A. YOUNG, Bloor & Davenport, Toronto, to be accountant, Hastings, Ont.

L. J. EDWARDS, Glebe, Ottawa, to be accountant, Bank & Somerset, Ottawa.

R. E. K. LUMLEY, Owen Sound, to be accountant, Sundridge, Ont.

D. A. V. JONES, New Liskeard, Ont., to be accountant, Georgetown, Ont.

G. W. KENNEDY, Sundridge, Ont., to be accountant, Strathroy, Ont.

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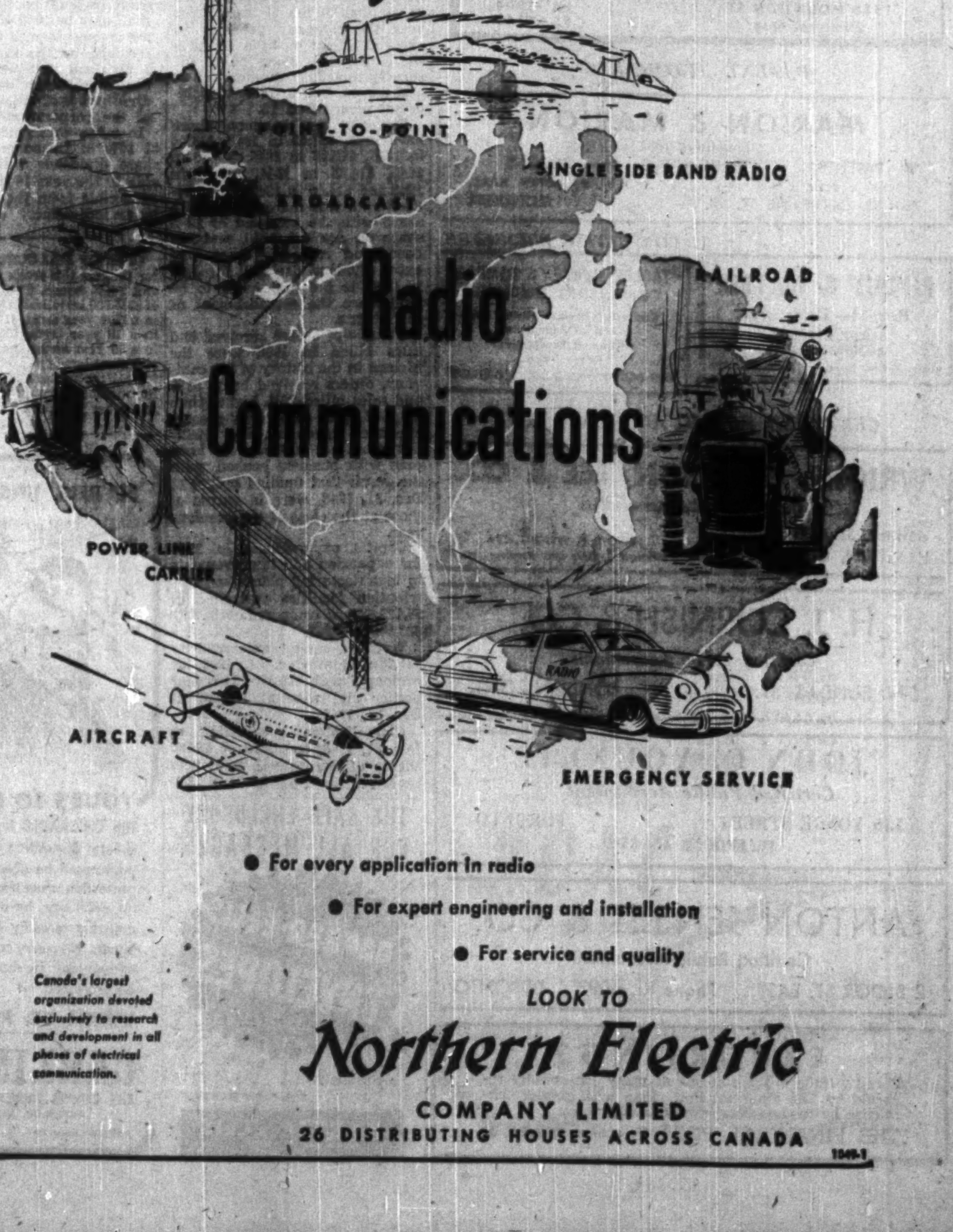
FOR SERVICE AND SECURITY
Yours for Service
IMPERIAL BANK OF CANADA



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B of M President Stresses Canada's Economic Health, External Trade Problems

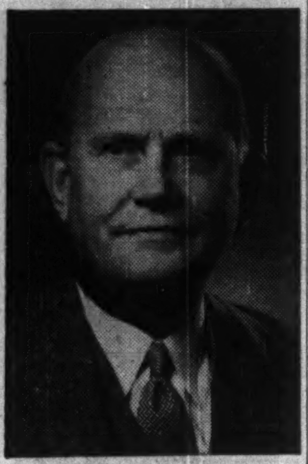
BANKER SUGGESTS FLEXIBILITY IN EXCHANGE RATES, CUSHIONED BY STABILIZATION FUND

Canada's Business Trends and Dollar Problem Reviewed at B of M's 132nd Annual Meeting

The past year has brought pressing problems, especially with respect to exports, but as far as domestic developments are concerned the course of events has had a "good many healthy and reassuring aspects," stated B. C. Gardner in his presidential address at the 132nd annual meeting of the Bank of Montreal. Reviewing world conditions, he suggested that a range of variation in exchange rates, "cushioned perhaps by a stabilization fund designed to prevent violent short-term fluctuations," would help to expand trade.

Price influences had achieved something approaching a balance of forces, the president observed. The balance, however, was precarious and could easily be tipped in either direction. Referring to the grave consequences of a wage-price spiral and to the heavy dependence of price stability on governmental policy, he expressed hope that "we are now entering a phase in which the requirements of the public treasury will no longer be of such a size that they can only be financed by methods involving inflationary pressure on the one hand or repressive taxation on the other."

Mr. Gardner commented that the accumulated demand arising out of wartime and depression years had pretty well spent its force. Businessmen, in appraising the domestic market, must set their sights on



B. C. GARDNER, M.C.
President

reasonable targets. "In this connection one might add," he said, "that with high levels of employment and wide distribution of income, the day-to-day capacity of over thirteen million Canadians to absorb consumer goods and services was far larger than was thought possible a few years ago."

Healthy Competitive Conditions

"Nevertheless, under existing conditions, factors of competition, efficiency, quality and salesmanship regain their normal place," the president stressed. "The necessary readjustments may be painful for the inefficient operator or for those whose business experience has hitherto extended only throughout a sellers' market. But, from what I have seen, it is my conviction that the great majority of Canadian businessmen realize the desirability of more reasonable and healthy competitive conditions as contrasted with the excesses of a boom."

The most noteworthy feature of the Canadian business trend during the year had been its relative stability, compared with developments in the United States, Mr. Gardner said. In Canada, as in the United States, there had been cyclical forces operating on the down side. But, in large part offsetting these recessive influences, "we have a vigorous program of industrial expansion based not so much on the outlook for business next year or the year after, as on an appraisal of this country's magnificent long-term potentialities."

"We have gained self-confidence and 'know-how' as an industrial nation," he continued, "and in the field of natural resources we are re-discovering our own frontier. It may not be too much to suggest that Canada is currently undergoing a phase of dynamic growth which, relatively speaking, is not unlike that experienced by the United States in the years following World War I."

Closer U. S. Economic Links

Turning to the dollar problem, the president pointed out that, without convertibility of sterling into American dollars, "we have to cope with the dual problem of earning an adequate supply of U.S. currency, while at the same time maintaining our exports to the sterling area and other markets from which our imports are relatively small. Of this duality, the U.S. dollar aspect may ultimately prove to be the more tractable." The trend of development seemed to point to a closer balance in trade with "our nearest neighbour."

After reviewing Canada's efforts to remedy the unbalance in its trade abroad as well as the forces operating against this end, Mr. Gardner foresaw, almost inevitably, "a contraction of our exports to important and traditional overseas markets."

Given the most enlightened action by the United States, such as a realistically liberal tariff policy and a far-sighted and courageous program of overseas investment, a workable world order could not be achieved without "far-reaching adjustments on the part of debtor nations." But their working out had been rendered more difficult by widely prevalent philosophies and attitudes.

"For more than a generation the processes of industry, commerce and investment have in one way or another been brought into subservience to the State," Mr. Gardner stressed. "The concept of an international economic order has lost reality and, for many people, it is not even an ideal."

In its place had been substituted a collection of national plans and policies aimed at achieving, through governmental intervention, some objective of national wellbeing, he said. Internationally, such plans often sought stability at home by creating instability elsewhere. And, within and between nations, one saw "the forces of corrective adjustment through the processes of the market place rendered inoperative by a multiplicity of restrictions which often aggravated the situation they were intended to relieve."

Effects of Devaluation Uncertain

The president pointed out that, since the devalued rates of exchange had been established by governmental fiat, there could be no assurance that they would accurately reflect levels of comparative costs and prices in the countries concerned. He suggested that the expansion of trade would be better served "by permitting a range of variation in exchange rates," cushioned perhaps by a stabilization fund designed to prevent violent short-term fluctuations.

The history of the past few years, he continued, had perhaps made it clear that the attempt to maintain the appearance of exchange stability "through fixed rates out of line with reality" had been positively harmful in contributing to unbalance in trade relationships.

The stability offered by any system of governmentally determined economic relationships was "a rather dubious product," Mr. Gardner emphasized. We were apt to get not a dependable equilibrium but "a recurrent sequence of rigidity and sudden shock."

The speaker added that revalued or even fully flexible currencies were no substitute for major improvements in productive efficiency and vigorous, imaginative merchandising efforts backed by thorough study of the North American market. And a pathway must be cleared through regulation, restriction and distrust to encourage large-scale international investment.

"What is the ultimate goal of all these individual but related objectives?" Mr. Gardner asked. "I suggest that it is the re-creation of an international economy capable of functioning 'on its own,' wherein goods and capital will move spontaneously in volume and directions necessary to enable nations now dependent on aid to become self-supporting."

Undue State Paternalism Blurs Vital Link Between Effort And Reward — B. C. Gardner

"There is general agreement on the necessity of raising standards of productivity in countries now facing acute difficulty in balancing their accounts with the dollar area," emphasized B. C. Gardner, Bank of Montreal, president at the recent annual meeting. "That will require huge additions and improvements to capital equipment in the countries concerned."

Was this investment likely to be forthcoming, he asked, under conditions wherein the very weight of public budgets devitalized both the ability to provide and the incentive to employ the capital that was the lifeblood of productive efficiency?

"What of the effects of an addiction to nationalization of industry?" Mr. Gardner enquired. "Is this likely to encourage the flow of either domestic or international investment? And, in broader terms, what of the consequences of an exaggerated State paternalism which blurs the vital connection between effort and reward?"

There was a vast reservoir of energy releasable for recovery in the incentives which impelled the individual to improve his position in life, the president concluded. These stimulated adaptability and inventive genius and encouraged the development of new processes, products and markets. The great task of the present was to provide an environment in which these fundamental and powerful forces might once more be put fruitfully to work.

Resources, Deposits, Both Pass Two-Billion Figure In B of M's Record Year

LOANS REACH NEW HIGH LEVEL, REPORTS GORDON BALL, GENERAL MANAGER

Savings Deposits Alone Exceed One Billion —First Bank in Canada To Achieve This

Passing the two-billion mark in both resources and deposits for the first time in its year-end report, the Bank of Montreal also broke its own record for current loans and discounts, reported Gordon R. Ball, general manager, to the recent annual meeting.

Growing deposit liabilities had made it advisable to transfer $4,000,000 to the reserve fund, Mr. Ball told shareholders. Total assets at the year-end amounted to $2,140,000,000, an increase of $148,000,000 during the year. The balance sheet showed the B of M in a "highly liquid position," quick assets being equivalent to 78 per cent of all public liabilities.

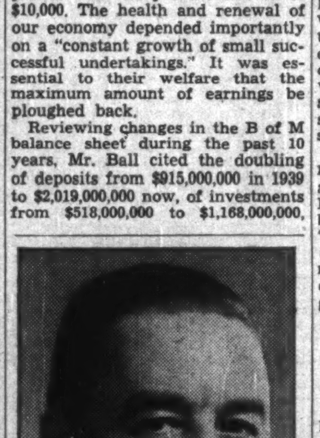
Total deposits reached the new high of $2,019,000,000, the general manager stated. Earlier in the year, "for the first time in the history of any Canadian bank," savings deposits passed the billion-dollar mark. They were now well above that figure. Current loans and discounts in Canada reached a record year-end figure of $442,000,000. Investments, carried at $1,168,000,000, had risen $35,000,000, the increase being mainly in holdings of government bonds. Profits stood at $5,816,570, after provision for Dominion and Provincial Taxes.

"Break-Even" Points Regain Vital Role

Remarking upon the number of concerns showing stationary or declining profits on a substantially increased volume of business, Mr. Ball drew attention to the importance of businessmen re-examining their "break-even" points. Conditions of the past few years had obscured the need for efficiency and economy, and close attention to them now might avoid costly losses later.

The speaker stressed "the desirability of a taxation policy which permits the building up of resources out of profits." He felt it would be a forward step to reduce tax rates on a higher level of profits than the present amount of $10,000. The health and renewal of our economy depended importantly on a "constant growth of small successful undertakings." It was essential to their welfare that the maximum amount of earnings be ploughed back.

Reviewing changes in the B of M balance sheet during the past 10 years, Mr. Ball cited the doubling of deposits from $915,000,000 in 1939 to $2,019,000,000 now, of investments from $518,000,000 to $1,168,000,000,



GORDON R. BALL
General Manager

and of assets from $1,026,000,000 to $2,140,000,000. During this same period, loan accounts had more than doubled, with the figure for current loans and discounts growing from $256,000,000 to $487,000,000.

Impressive Progress

"In 1939 we had about a million current and savings accounts on our books," he recalled. "We now have over 1,750,000 accounts. The number of our loan accounts has more than doubled in this period, and all types of banking transactions have shown commensurate increase. To handle this greatly increased volume, our personnel now totals 9,700, as compared with around 6,000 in 1939."

Manager and Staff Make the Bank — Gordon Ball

"We try to keep constantly in mind that the Bank is not primarily an impressive row of figures or an imposing building," said Gordon R. Ball, B of M general manager, at the annual meeting. "We think rather of the Bank as the local manager and his staff, on whom our customers can always call for friendly counsel and service. Our branch banking system is founded upon this relationship."

The more than a million and a half people dealing with the Bank of Montreal "know that it is not money alone they deal in when they come to us," Mr. Ball continued. These people knew that their money was safe with the B of M and that they would be fairly treated.

A man's relationship with his bank manager was "a highly personal one," he stated. In each of the Bank's 546 branches, behind this confidential relationship, stood the resources of a nation-wide, century-old institution. Its strength was linked with "human understanding in the service of the individual."

Stressing his sincere belief that this spirit guided "our relations with the public today," the general manager maintained that, without it, the Bank could not justify its place in the country's economy, "nor would we be able to give our best to Canada" in the years of great promise ahead.

The number of shareholders had doubled during this period, Mr. Ball said, adding "we are naturally glad to see this wider share-ownership in our institution."

Commenting upon the wide range of services provided for those engaged in foreign trade, the general manager stated that the Bank's business abroad showed a "steady and appreciable growth," in spite of restrictions. Periodical visits by officers of the Foreign and Business Development Departments had assisted in expanding banking correspondent relationships throughout the world, to meet customers' requirements in every way. Up-to-date information about trade, tariffs and exchange regulations was made readily available, and the B of M welcomed full use of its facilities.

"Our offices in the United Kingdom and the United States," Mr. Ball remarked, "have been especially active in assisting business interests in those countries which are desirous either of establishing branch plants in Canada or of expanding existing relations with this country."

Savings Trend

While the Canadian people had been earning and buying more, the speaker stressed, available evidence suggested that they had also been saving more this year than last. This trend he found "altogether encouraging," not only because it added to the reservoir of personal purchasing power but also because the new capital requirements of the country as a whole had continued to run at a very high rate.

Taking "a longer view" of Canada's growth in recent years, the general manager suggested that ideas of what constituted a normal level of business activity might have to be revised. From 1938 to 1948, population was enlarged by 15 per cent, but increases of between 70 and 80 per cent were recorded in industrial employment and in the physical quantity of goods produced, consumed, imported and exported.

"The Canadian economy has attained a size and a momentum of its own that perhaps we fail wholly to realize," Mr. Ball observed, "and it may well be that we appreciate its potentialities less clearly than do our friends in other lands who see in our vigorous people, our stable institutions and our natural resources, the foundations for further impressive growth and development."

Paying high tribute to the staff for "untiring energy," Mr. Ball emphasized that arrangements for their welfare and progress were kept under constant review with special consideration to changes in living costs and the personal problems involved in transfers. The Bank made substantial contributions to the Pension Fund Society and to group life, sickness and accident insurance.

He praised the spirit of the staff, referring to the many offices where alterations are underway and to the B of M men at lonely outpost branches. "I could," said Mr. Ball, "go on recounting other tales of a spirit in your institution that cannot be measured in dollars and cents but which is, nevertheless, our greatest asset."

COMPANY REPORTS

MOLSON'S BREWERY LTD. net profit for the year ended Sept. 30, 1949, was up 66.4%. Company share of total Canadian production of malt beverages in the calendar year 1949 will likely be the highest on record, excluding one of the early war years.

Despite heavy payments on plant and equipment, working capital position improved to $6,342,639 ($4,714,041). It has not been necessary to increase inventory position to correspond with higher sales. Of inventories, 79% represents maturing and finished stocks of ale. The investment account shows a book value of $5,157,747, but market value exceeds this by some $208,000. A conservative policy is pursued in this account with government securities constituting over 80% of investments.

During the year the new bottling building was completed at a final cost of just under $3.5 millions. At end of fiscal year, value of new construction in progress was carried at $666,658. This represents payments already made on the new cellar building, laboratory, transformer house and minor work. The new storage building should be completed by May, 1950. In September, work was commenced on the new brew house which will have space for two large kettles and their ancillary equipment. Only one kettle will be installed immediately, and it is planned to have this in operation by spring, 1951. Under construction is a new transformer house. The projected buildings and extensions will cost approximately $3.5 millions. This is made up as follows: $666,658 already paid, roughly $1.3 millions still to be paid on work in progress and $1.5 millions being the estimated cost of new brew house not yet contracted for.

Sales position remains unchanged. Since 1940 the company has been unable to meet demand for its product and at the moment problems continue to be solely concerned with production, President H. W. Molson states. In the long term, it is likely that per capita consumption will reflect national expansion, it is said. Canadian consumption, per capita, is still much lower than in the United States or the United Kingdom.

INCOME ACCOUNT

Years Ended Sept. 30:	1949	1948
Net earnings	$6,474,158	$3,802,074
Less: Deprec.	517,177	194,922
Income taxes	2,425,200	1,484,500
Net profit	3,531,781	2,122,652
Less: Dividends	1,312,500	1,125,000
Surplus for year	2,219,281	997,652
Earnings per Share and Dividend Record:		
Common	$4.71	$2.83
Paid	1.00+0.75	1.00+0.50

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1949	1948
Cash	$468,379	$336,433
Accts. rec.	1,322,897	890,086
Inventories	1,887,486	1,661,698
Bonds and shs.*	5,157,747	3,653,281
Total curr. assets	8,836,509	6,541,498
Misc. assets‡	1,517,060	1,792,411
Fixed assets†	6,394,141	5,528,107
Total assets	16,747,710	13,862,016
Accts. pay.	877,018	930,387
Taxes pay.	1,616,852	897,070
Total curr. liab.	2,493,870	1,827,457
Capital stock	300,000	300,000
Capital surplus	100,057	100,057
Earned surplus	13,853,783	11,634,502
*Market value	5,366,037	3,821,483
†After deprec. of	4,377,351	4,112,161
‡Incl. est. ref. EPT	667,813	1,006,902
Working capital	6,342,639	4,714,041

Industrial Growth

New plants and expansion projects to boost the nation's bulk output, product diversity, jobs.

"Capital investment in Canada this year at $3.2 billions represents the highest rate of new investment in proportion to income in any country of which we have record," Trade Minister Howe told the American Society of Tool Engineers in a recent speech.

"We hope more American companies will avail themselves of the favorable conditions for investment in Canada that follow exchange devaluation in September," Mr. Howe said. He said 2,000 U.S. companies and branches are now established here with a $5 billion investment, half of them in manufacturing.

* * *

Collins & Aikman

Collins & Aikman of Canada, Farnham, Que., fabric weavers for four industries — automotive, railway car, furniture and clothing — this week began a 50% plant expansion for midsummer completion; architect H. Ross Wiggs; contractor Robert Miller Construction. The 1-story, steel, concrete block and brick extension will provide for a 50% hike in loom capacity, enlargement to 300 of the present working force of 200. C & A of Canada is subsidiary of Collins & Aikman Inc., New York. Vice-president & general manager is Fred W. Miller. Now operating around the clock six days a week, C & A of Canada has been doing much the same since it came to Canada and Farnham 20 years ago. Upholstery fabrics for rail coaches, autos and furniture are one specialty, high-pile "fur" fabrics for clothing are another.

* * *

Benton & Judson

A western location — possibly Edmonton, Calgary or Red Deer, Alta. — is reported being considered for possible early construction of a branch plant by Benton & Judson Co., London, Eng., paint maker. Architect Peter Caspari, representing B. & J. recently visited Alberta and B. C. cities, intimated the project cost might run to about $400,000 and that an Alberta location is favored. He said the firm's products already are on the Canadian market, that the process is highly mechanized, and mentioned 50 as a probable employment figure. He talked with Calgary and Edmonton industrial commissioners, William Anderson and Graham Curtis and with Alberta's deputy minister of industries and labor, J. E. Oberholtzer, among others.

* * *

Fitzjohn Coach

Fitzjohn Coach Co., Muskegon, Mich., President F. W. Feeney, will employ 75 to 100 assembling buses at Brantford, Ont., with production to start early 1950. Land and hangar building at former Burford RCAF station near the city have been leased; conversion work and equipment installation are being started now. Brantford also will be Canadian headquarters for Fitzjohn parts and service. Industrial Commission Chairman George Fox and Secretary Kenyon said Fitzjohn is ready to invest $300,000, buy a substantial proportion of Canadian parts and other material. Parent plant, 85,000 sq. ft., employs 185.

* * *

G. Lakes Sports

Great Lakes Sporting Goods Ltd., Windsor, affiliate of Great Lakes Products, Detroit, last week began shipping fresh water fishing rods and reels to jobbers across Canada. Recently established in 4,000 sq. ft. of leased space, Great Lakes also makes lures and tackle boxes. James G. Dykes, industrial commissioner, Chamber of Commerce, said the working force soon may be increased to 20 from the present six. Donald MacLeod is sales manager.

* * *

Major Aluminum

Major Aluminum Products Ltd., Vancouver, recently opened a $25,000 new warehouse and office on property leased from the CPR at Lethbridge, Alta. Major is a pioneer manufacturer in Canada of sprinkler irrigation equipment of aluminum. Managing Director Kenneth Glass, with E. J. Palmer and I. G. G. Morgan organized Western Magnesium Ltd., in 1945. That company bought Major Aluminum in January, 1947. Major got into sprinkler irrigation in B. C.'s Okanagan fruit belt, now is building important business in the famed Palliser Triangle where irrigation is a mainstay of agriculture. Branch offices, besides Lethbridge, are in Calgary, Regina, Winnipeg.

* * *

Pittsburgh Glass

Three weeks after Christmas, sheet window glass manufacture will be resumed in Canada and in a plant near Montreal (St. Laurent) bought last summer by Canadian Industrial Glass. C.I.G. is a new subsidiary of Pittsburgh Plate Glass (The Financial Post, June 11 and 25).

Pittsburgh's Canadian Industrial Glass expects to roll about Jan. 15 and reach full-scale operation a month later, using its "Pennvernon" vertical flat-draw process instead of the Belgian process from which the plant now has been converted. It will make in big volume sheet glass of thickness up to 7/32-in., or weight 42 oz. per sq. ft. Though highly mechanized, the plant will employ about 300.

President of Canadian Industrial Glass is Col. W. E. Phillips, Oshawa, Ont., who besides being chairman of Argus Corp., Rogers Majestic and Standard Chemical, is president of PPG-affiliates Duplate (Canada), with plants at Oshawa, Toronto and Windsor, and Fiberglas (Canada), with plants at Oshawa and Sarnia. Manager of the St. Laurent operation is Jean Peeters.

* * *

Arts Graphiques

Les Arts Graphiques Inc., headed by L. Desrosiers, Louiseville, Que., printer, is considering early building of a new printing plant at Cap de la Madeleine, Que., 2 stories, about 3,200 sq. ft., poured concrete and concrete block, at about $17,000.

* * *

Capital Television

Newly formed affiliate of Capital Television Inc., New York, Capital Television Ltd., has leased space in East Toronto to make television antennae, install and service television equipment. Aerials will be modified by the Toronto engineering staff to suit Canadian conditions. J. S. Twaddell is in charge of the new operation.

* * *

Private Brands

Private Brands Ltd. is moving to a larger building within downtown Toronto. About Feb. 1, the firm will occupy a two-story, stone-faced building which has been remodelled to provide a high level of bottling and mixing efficiency for carbonated beverages. The move will double present manufacturing space, facilitate increased output of custom work and the firm's own brands. Several new drinks are to be added. Private Brands Ltd., among other beverages, bottles the imported ginger beer of Barnett & Foster Ltd., London, Eng.

* * *

Bonnie Footwear

Bonnie Footwear Ltd., Toronto, has leased additional space for 50% increase in floor area to enable a substantial hike in output of "casual" shoes.

* * *

Splayart

Splayart Ltd., London, Eng., F. E. Gregory, managing director, announces (a) preparation for early opening of a branch plant in rented quarters at London, Ont., with a goal of 100 employees, and (b) plan for future construction of a factory building of its own, also in London. Splayart designs and makes display equipment and steel fabrications ranging from shelving and metal fixtures to bicycle racks and hydraulic lifting jacks.

* * *

Traders Mfg.

Traders Manufacturing Co., Montreal, trousers, soon will complete $50,000 plant extension, one story, reinforced concrete frame, block and brick walls, about 9,000 sq. ft.; architects, Mayerovitch & Bernstein; contractor, B. Kaplan Construction.

* * *

Weston

Weston Bakeries Ltd., Toronto, subsidiary of George Weston Ltd., R. A. Robertson, president and managing director, has foundation going in for new bread bakery in Edmonton (The Financial Post, Aug. 27), replacing and enlarging the plant of Weston Bakeries' subsidiary, Edmonton City Baking Ltd. The new operation will be under the name of Weston Bakeries Ltd. The plant is to cost more than $600,000 including land and equipment, will have about 91,000 sq. ft. of floor, one story, steel and brick; architects, Rule, Wynn & Rule; contractor, Bennett & White of Edmonton Ltd. Site was bought from the city corporation last summer.

* * *

Gen. Steel Wares

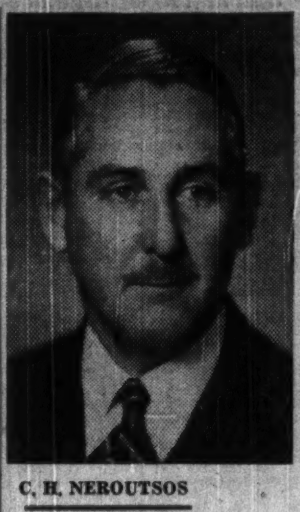
General Steel Wares, Toronto, W. H. Holding, vice-president and managing director, is completing construction of $500,000 extensions to London, Ont., foundry and factory; architects, C. Roy Moore & Co.; contractor Putherbough Construction. Expansion is mainly for new appliance products, as yet unannounced.

Employment already is being gradually expanded and another 100 to 150 workers will be added with full operation of the new plant units in January. New buildings enclose about 70,000 sq. ft., are of steel, concrete block and brick. GSW employs about 3,500 in six plants in Toronto, London (2), Montreal, Winnipeg and Vancouver. F. S. Corrigan is president.

* * *

Textile Weavers

Textile Weavers Ltd., Grand-'Mère, Que., woolen and worsted cloth, has foundation in for a small addition, one story, 3,600 sq. ft., concrete block, to cost about $20,000.



C. H. NEROUTSOS

has been appointed a vice-president of International Paints (Canada) Ltd.

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THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING DECEMBER 2

Range 1949 High	Low	Div. Rate $	Dec. 2 Y'ld %	Company	Sales	Last Nov. 25	Week end. Dec. 2 H	L	Cl'se
[illegible]	[illegible]	[illegible]	[illegible]	Abitibi … Fleury Bissell … (listings continue)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Range 1949 High	Low	Div. Rate $	Dec. 2 Y'ld %	Company	Sales	Last Nov. 25	Week end. Dec. 2 H	L	Cl'se
20	15	1.60	10.6	Wool Combing.	20	16½	15	15	15
[illegible]	[illegible]	[illegible]	[illegible]	York Knit. B..	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	2.00	3.9	Zellers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	1.50	5.0	Do. 6% pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*On arrears. *Net after income taxes. ♦After stock split. ♦Plus extras. †Payable in 1950. ♦N. Y. funds. ♦Participating div. ♦Dividend deferred. ♦Paid or payable in 1949. ‡Plus payments on arrears. §Paid in 1948.

Mining Stocks

Week Ended December 2

Range 1949 High	Low	Div. Rate $	Dec. 2 Yield %	Company	Sales	Last Nov. 25	Week Ending Dec. 2 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Oil Stocks

Range 1949 High	Low	Div. Rate $	Company	Sales	Last Nov. 25	Week Ending Dec. 2 High	Low	Close
[illegible]	[illegible]	[illegible]	N. Exten...	7,500	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Okalta......	17,225	1.90	1.95	1.80	1.83
[illegible]	[illegible]	[illegible]	Pac. Pete..	37,431	3.80	3.90	3.75	3.85
[illegible]	[illegible]	[illegible]	Pan West..	22,100	.20	.20	.16½	.18½
[illegible]	[illegible]	[illegible]	Phillips P...	9,000	.05	.05	.04½	.04½
[illegible]	[illegible]	[illegible]	Princess P...	26,650	.37½	.38½	.33	.35
[illegible]	[illegible]	[illegible]	Roxana.....	9,200	.50	.51	.45	.47
[illegible]	[illegible]	[illegible]	Royal Can..	4,500	.06½	.07	.06½	.06½
[illegible]	[illegible]	[illegible]	Royalite....	11,025	9.30	9.30	9.00	9.00
[illegible]	[illegible]	[illegible]	Share Oils..	5,000	.06½	.06	.06	.06
[illegible]	[illegible]	[illegible]	So. Brazeau	9,200	.10½	.11	.10	.11
[illegible]	[illegible]	[illegible]	So. West Pete	800	.35	.35	.35	.35
[illegible]	[illegible]	[illegible]	Spooner.....	555	.18	.18	.16	.16
[illegible]	[illegible]	[illegible]	Sunset......	9,000	.14½	.16	.14	.16
[illegible]	[illegible]	[illegible]	Superior....	54,450	.43	.44	.42	.43
[illegible]	[illegible]	[illegible]	Tower Pet..	15,000	.40	.40	.38	.38
[illegible]	[illegible]	[illegible]	United Oils.	71,115	.16½	.18½	.14½	.18
[illegible]	[illegible]	[illegible]	Vanalta....	6,000	.23	.23	.21	.21
[illegible]	[illegible]	[illegible]	Vulcan......	80	.25	.20	.20	.20
[illegible]	[illegible]	[illegible]	Vul. Brown..	200	.13	.15	.15	.15
[illegible]	[illegible]	[illegible]	York Oils..	2,000	.08½	.08	.08	.08

*Paid or payable in 1949. †Payable in 1950. §Paid in 1948. *N. Y. funds. s Extra. ‡ Capital Distribution.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Dec. 5	165,500	1,479,000	65,050	34,512	2,260,000
Dec. 3	98,600	795,000	19,726	10,262	1,340,000
Dec. 2	136,000	909,000	72,465	31,492	2,540,000
Dec. 1	163,200	801,000	95,387	35,865	1,930,000
Nov. 30	182,800	691,000	81,326	22,015	1,710,000
Nov. 29	197,200	798,000	56,925	36,717	1,650,000

BUSINESS BAROMETER

	NOV.	OCT.	SEPT.	AUG.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total expend.	....	175.6	189.4	147.1	151.2
Dom. total rev.	....	201.7	174.0	187.8	215.5
MERCHANDISING					
▪Dept. store sales (3)	+7	+1	+8	+6	....
Country store sales (3)	....	....	—2.8	+9.7	....
Retail store sales (3)	....	....	+7.2	+7.5	....
Wholesale sales index (1)	....	....	333.2	218.1	327.0
FINANCE					
Dividend payment index (1) (5)	215.4	215.2	212.2	212.7	203.8
Money supply (millions $)	....	....	4,389	4,183	4,153
NEWSPRINT CAPACITY					
Production ratio (7)	....	100.9	100.4	99.7	100.0
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.) (1)	....	149.9	164.7	223.4	162.5
Cars (D.B.S.) (1)	....	140.3	144.5	158.4	147.2
COST OF LIVING					
▪D.B.S. (1)	161.7	162.2	162.3	162.8	159.6
EMPLOYMENT INDEX					
All industries (6)	....	202.0	202.1	199.7	203.3
Payrolls (June 1/41=100) (2)	....	....	220.2	217.8	208.6
MANUFACTURING					
Inventories (1947=100)	....	....	130.3	130.2	126.7
Employment (6)	....	208.5	209.2	206.4	210.0

	1949	1948	1949 Jan. 1 to date	1948 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)					
▪Carloadings (week Nov. 28)	79.0	85.3	3,367.3	3,695.6	—3.5
C.N.R. gross rev. (Oct.)	45,349	46,890	410,893	401,438	+2.4
C.N.R. net rev. (Oct.)	5,064	5,634	11,452	13,460	—14.9
C.P.R. gross rev. (Oct.)	33,252	34,453	300,968	290,040	+3.8
C.P.R. net rev. (Oct.)	4,500	5,672	13,003	11,486	+13.2
IRON AND STEEL PRODUCTION (000's omitted) (Oct.)					
▪Pig iron production (tons)	166	186	1,825	1,780	+2.5
▪Steel production (tons)	259	282	2,663	2,643	+0.8
CONSTRUCTION (000's omitted)					
Contracts awarded (Oct.)	89,307	70,821	901,387	815,058	+10.6
Cement prod., bbls (Sept.)	1,420	1,238	11,952	10,296	+16.1
AGRICULTURE (000's omitted)					
▪Flour prod., bbls. (Oct.)	1,859	1,951	16,338	18,698	—12.6
Flour exp., bbls. (Oct.)	744	1,300	8,123	10,242	—20.7
Wheat exp., bush. (Oct.)	18,556	16,062	169,178	106,258	+59.2
Cattle sales (Oct. (4)	231.1	228.4	1,457.0	1,503.5	—3.1
Hog sales (Oct.)	423.6	328.9	3,290.3	3,924.8	—16.2
SEA FISHERIES (000,000's omitted)					
▪Catch, lb. (Oct.)	124.1	114.2	989.8	1,045.5	—5.3
▪Landed value (Oct.)	4.1	6.2	47.4	53.5	—11.4
NEWSPRINT (000's omitted)					
Production (Oct.) (7)	436	435	4,325	4,100	+4.7
Exports tons (Oct.) (7)	405	392	3,992	3,831	+4.2
MINING AND OILS (000 omitted)					
Coal prod. (tons) (Oct.)	1,900	1,811	15,035	14,717	+2.2
Gold prod. (fine oz.) (Aug.)	359	305	2,648	2,289	+15.7
Petroleum prod. (bbl.) (Aug.)	1,971	1,245	13,559	7,549	+79.6
ELECTRICAL POWER OUTPUT (000,000 omitted) (Sept.)					
Total monthly kwh.	3,753	3,596	34,744	33,466	+3.8
FOREIGN TRADE (millions of $)					
Imports (Sept.)	221.6	231.7	2,073.9	1,922.3	+7.8
Exports (Oct.)	269.1	307.0	2,415.1	2,465.1	—2.0
FINANCE (millions of $)					
▪Bank debits (Oct.)	8,328	7,654	70,618	64,865	+8.9
Bond sales (Oct.)	554.4	768.9	3,892.0	4,372.7	—11.0
Life insurance sales (Oct.)	108.5	100.9	1,025.6	974.1	+5.3
OTHER INDUSTRIAL FACTORS					
Shoe prod. (Sept.) (000)	3,377	2,811	27,545	23,709	+16.2
Cigarette cons. (000,000) (Oct.)	1,448	1,429	19,333	17,849	+8.3

(1) Base period 1935-39=100. (2) All industries. (3) % change from year ago, latest week or monthly average. (4) Total at yards and plants. (5) Nesbitt Thomson, etc. (6) Base period 1926=100. (7) Includes Newfoundland. ▪New item for week.

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's
No. of Securities	10	10	4	5	10	15	10	16	12	8	16	116
*1935 to date: High	247.7	287.9	149.7	123.7	221.9	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.3	60.0	65.2	61.1
1949: Monthly Figures:												
Jan.	234.1	257.1	96.4	75.9	214.3	115.2	294.5	143.0	108.2	132.6	119.2	114.3
Feb.	224.1	244.1	89.8	68.7	203.1	113.6	281.5	139.7	105.7	131.0	115.1	108.1
Mar.	217.5	236.7	85.9	69.5	205.9	112.0	276.1	137.4	106.4	131.0	113.7	106.4
Apr.	211.9	234.2	88.4	70.8	205.7	111.9	274.4	139.6	109.7	132.4	115.7	109.4
May	208.4	227.4	84.2	70.2	204.2	112.8	275.7	136.3	107.4	132.4	113.5	105.3
June	184.7	210.8	85.3	63.8	196.0	111.8	273.3	131.4	104.1	131.0	109.2	99.6
July	198.8	221.4	89.6	66.6	202.2	112.9	292.4	137.0	108.4	130.7	114.3	104.2
Aug.	209.5	230.6	90.2	68.8	204.6	114.6	306.7	140.0	111.2	133.3	119.5	100.2
Sept.	213.1	240.1	93.0	68.9	204.8	116.0	312.5	143.0	112.8	135.2	122.7	109.6
1949: Weekly Figures:												
Oct. 6	219.7	252.9	94.3	71.7	193.8	120.2	322.2	149.3	109.0	138.5	120.9	112.4
Oct. 13	217.8	259.5	95.6	75.4	207.2	120.8	331.2	150.2	112.0	138.7	122.6	114.2
Oct. 20	223.0	260.6	96.6	76.1	209.3	122.6	330.4	151.4	112.1	140.7	121.5	114.4
Oct. 27	225.0	262.8	96.6	78.4	210.3	124.5	334.5	154.8	113.5	141.4	122.6	116.0
Nov. 3	228.9	269.9	95.7	78.3	210.8	121.3	334.6	157.6	114.0	141.8	121.4	116.3
Nov. 10	228.3	272.2	96.4	83.8	215.6	123.1	333.0	159.5	111.7	141.6	121.9	118.3
Nov. 17	231.9	276.0	88.5	85.0	227.6	125.0	333.2	158.6	112.0	142.2	122.0	119.3
Nov. 24	234.8	279.1	86.4	83.2	225.6	124.4	345.2	158.7	111.0	143.2	121.2	118.8
Dec. 1	230.4	276.5	87.5	81.9	229.8	123.1	340.2	158.6	110.2	140.6	120.7	117.4

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Dec. 5	200.76	104.01	112.43	60.44
Dec. 3	200.55	104.18	111.76	60.18
Dec. 2	200.23	104.05	110.30	59.72
Dec. 1	199.57	103.80	110.32	59.73
Nov. 30	198.79	103.40	109.93	59.28
Nov. 29	199.00	103.71	110.04	59.17
Month ago	199.50	110.66	114.46	62.37
Year ago	183.23	81.14	107.93	57.46
1949 High	202.58	114.63	114.53	63.24
1949 Low	157.28	87.96	77.42	38.78

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Dec. 5	75.7	137.5	116.9	363.42	66.91
Dec. 3	75.1	137.1	116.5	363.29	67.16
Dec. 2	75.1	136.5	116.1	363.86	66.93
Dec. 1	75.0	135.6	115.4	360.50	66.57
Nov. 30	75.1	135.7	115.5	360.75	66.71
Nov. 29	75.1	135.9	115.6	360.65	67.12
Month ago	75.5	134.0	114.5	350.51	72.56
Year ago	74.6	131.3	112.4	340.32	60.00
1949 High	75.9	137.4	116.8	365.28	74.40
1949 Low	70.0	109.3	96.3	251.34	60.17

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Dec. 5	194.74	50.70	39.58	69.45
Dec. 3	194.73	50.76	39.58	69.41
Dec. 2	193.63	50.29	39.52	69.07
Dec. 1	192.74	49.27	39.39	68.52
Nov. 30	191.55	48.11	39.26	67.87
Nov. 29	191.62	47.87	39.26	67.81
Month ago	190.89	49.24	39.16	68.08
Year ago	176.26	53.78	32.95	64.34
1949 High	194.74	54.29	39.58	69.45
1949 Low	161.60	41.03	33.36	57.78

Stocks Not Traded This Week (Continued)

Company	Div. Rate $	Last sale	Dec. 2 Bid	Ask
Reliance Grain	▪10.00	35	15	35
Renfrew Textile	.60	6	6½	6½
Renold-Cov. A	1.10+.30	20	15	20
Rivers Mill B	▪1.00	13½	..	12½
Robertson P. L.	2.00	45	43	46
Do. pref.	2.50	46	43½	..
Robinson-Little	.80	9	9	9½
Do. A	1.00	15	..	15
Rolland Pap. pref.	4.25	67	68	70
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Company	Div. Rate $	Last sale	Dec. 2 Bid	Ask
Flin Flon	...	.01½	.01½	.02
Forty-Four	...	1.00	1.05	1.10
George Copper	...	.05	..	..
Golconda	...	.30	.28	..
Goldbeam	...	.04	.06	.12
Gold Crest	...	.07	.07½	.09
Gold Lake	...	.01	.01	.03
Great Falls M.	...	.03	.02	.04
Grull Wihksne	...	.04	.03½	.04
Hoyle	...	.30	.29	.40
Hudson R.	...	.12	.10	.17
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Command	...	.04	.02	.04½
Marvel	...	.04½	..	..
McLeod	...	.03	.02½	.03
New Ranch	...	.10	.11	.14
Nordon	...	.04	.03½	.04
Oil Selections	...	.15	.12	.20
Petrol Oil	▪.03	.02	.02½	.03
Richfield	...	.03½	.04	.06
Royal Crest	...	.06½	.10	.14
Three Point	...	.50	.25	.90
Texas Can.	▪▪1.75	.16	.15	.20
Turner V.	...	.02½	.03½	.05
Warner	...	.04	..	..
Wellington	...	..	..	..

▪Paid or payable in 1949. §Paid in 1948. *N. Y. funds. †Payable in 1950. ▪Capital distribution.

STOCKS NOT TRADED THIS WEEK

Company	Div. Rate	Last sale	Dec. 2 Bid	Ask
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Mining Stocks

Company	Div. Rate	Last sale	Dec. 2 Bid	Ask
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Company Meetings

1949	Company	Place
Dec. 2	Nat. Sewer Pipe	Toronto
Dec. 5	Bk. of Montreal	Montreal
Dec. 7	Bk. of Nova Scotia	Halifax
Dec. 7	Lake of Woods	Montreal
Dec. 8	Ont. Steel	Gananoque
Dec. 8	Sherwin Williams	Montreal
Dec. 9	Consumers Glass	Montreal
Dec. 9	Labrador M.	Montreal
Dec. 9	Marcus Loew's	Toronto
Dec. 13	Candn. Bk. of Comm.	Toronto
Dec. 14	Dom. Bank	Toronto
Dec. 14	Mex. Lt. & Pwr.	Toronto
Dec. 14	United Bond	Montreal
Dec. 15	Maple Leaf Milling	Toronto
Dec. 15	Dom. Glass	Montreal
Dec. 15	Molsons	Montreal
Dec. 16	So. Can. Pwr.	Montreal
Dec. 19	Candn. Ind. Alcohol	Montreal
Dec. 19	Twin Rap. T.	Minneapolis
Dec. 21	Anglo-Candn. Oil	Calgary
Jan. 10	Bk. Candn. Nat.	Montreal
Jan. 12	Royal Bank	Montreal
Jan. 18	Kelvinator	London, Ont.

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

[illegible]

Unlisted Stocks

(Compiled from quotations supplied by Intercity Securities Ltd., Kamm, Garland & Co. and Kippen & Co.)

[illegible]

Unlisted Mines, Oils

Approximate quotations Nov. 30, 1949, subject to confirmation and change:

	Bid	Ask		Bid	Ask
Rajah	1	3	West R L	1½	2½
Rambull	½	1½	West Sh Mal	½	1
Rand Mal	10	12	White L	1½	..
Randona	2	3	Wildor	1	3
Ranney	3	8	Wilwood	1	2
Rare M P S	480.00		Win c rts	1½	..
Raylartic	..	3	Wisik	1	5
Raymond T	1½	2½	W Br Tr	5.00	..
Rayon d'Or	1	4	Yell G	1.90	..
Red L G S	2	..	do. v.t.	1.35	..
Redruth	4	6	Y David	18	20
Redwood	5	6	Y Shannon	2	3
Regal Kirk	1	..	Yuk'n Ran	16	18

Dividends Declared

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

[illegible]

Dividends Declared (con'd)

		Payable	Of record
Gord. Mackay A	.12½	Dec. 15	Nov. 15
Do. B	.25	Dec. 15	Nov. 15
Goodyear Tire	3.00	Dec. 31	Dec. 9
GouldPumps	†.25	Dec. 20	Dec. 9
Grafton A	.25	Dec. 15	Nov. 25
Grandview M.	.02	Feb. 1	Jan. 1
Gt. Br. & Can. Inv. Corp.	6.50	Dec. 30	Dec. 2
Gt. Lakes Pap. A	.62½	Dec. 31	Dec. 10
Do. B	.30	Dec. 31	Dec. 10
Do. com.	.25	Dec. 31	Dec. 10
Gt. West Felt	.30	Jan. 1	Dec. 15
Do. pfd.	.12½	Jan. 1	Dec. 15
Gt. West Life	5%	Jan. 3	Dec. 20
B. Greening	.05	Jan. 3	Dec. 15
Grey & Bruce Tr. & Sav.	1½%	Dec. 15	Nov. 14
Grouped Inc. Sh. Ser. A	.15	Nov. 30	Coup. 37
Hahn Brass	.30+.20	Jan. 1	Dec. 10
Do. pfd.	.50+.20	Jan. 1	Dec. 10
Halifax Ins.	.10	Dec. 20	Dec. 1
Ham. Bridge	.12½	Jan. 3	Dec. 15
Hart Battery	.10+‡.30	Jan. 11	Dec. 7
Highland-Bell	.05	Jan. 5	Dec. 17
Hinde & Dauch	.25	Jan. 30	Nov. 30
Hollinger Cons.	.06	Dec. 30	Dec. 2
Home Oil	.25	Dec. 15	Nov. 15
F. W. Horner A	.12½	Jan. 3	Dec. 1
Howe Sound	†.30	Dec. 10	Nov. 28
How. Smith Pap.	.50	Jan. 30	Dec. 21
Do. pfd.	.50	Jan. 20	Dec. 31
Howey Gold	.01	Dec. 31	Nov. 24
Hubbard Felt A	.75	Jan. 1	Dec. 8
Hudson Bay M.	1.00	Dec. 19	Nov. 18
Hunts A & B	.10	Jan. 5	Dec. 15
Huron & Erie Mtge.	1.25	Jan. 3	Dec. 15
Do. 20% paid	.25	Jan. 3	Dec. 15
Imp. Tobacco	.12½	Dec. 30	Nov. 15
Do. pfd.	.25	Feb. 1	Dec. 20
Ind. Accept.	.50	Dec. 31	Dec. [illegible]
Do. 5% pfd.	1.25	Dec. 31	Dec. [illegible]
Do. 4¼% pfd.	1.06¼	Dec. 31	Dec. [illegible]
Do. 5% conv. pfd.	.31¼	Dec. 31	Dec. [illegible]
John Inglis	.10	Jan. 3	Dec. [illegible]
Int. Bronze pfd.	.37½	Jan. 16	Dec. [illegible]
Int. Coal & Coke	.01½	Dec. 15	Dec. [illegible]
Int Nickel	†.40+‡.40	Dec. 20	Nov. [illegible]
Int. Paints pfd.	.60	Jan. 14	Dec. [illegible]
Int. Pap.	†1.00+‡1.00	Dec. 15	Nov. [illegible]
Do. pfd.	†1.00	Dec. 15	Nov. [illegible]
Int. Power	.60	Jan. 16	Dec. [illegible]
Invest. Found. pfd.	.75	Jan. 16	Dec. [illegible]
Island Mt. M.	.07	Dec. 15	Nov. [illegible]
Jam. Pub. Ser. Ltd.	.25	Jan. 3	Nov. [illegible]
Jamaica Pub. Ser. Co. Ltd.	1.75	Jan. 3	Nov. [illegible]
Kelvinator	.75	Dec. 20	Dec. [illegible]
Kerr-Addison M.	.18	Dec. 29	Nov. [illegible]
John Labatt	.25	Jan. 3	Dec. [illegible]
Lake Dufault M.	.02½	Dec. 15	Nov. [illegible]
Lake Shore M.	.20	Dec. 15	Nov. [illegible]
Lamaque G.	.12	Feb. 1	Dec. [illegible]
John A. Lang	.25	Jan. 2	Dec. [illegible]
Laprairie Inc. pf. 6%	1.50	Jan. 3	Dec. [illegible]
Leduc West Oil	.04	Jan. 3	Dec. [illegible]
London Hose	.15	Jan. 2	Dec. [illegible]
Do. A	.20	Jan. 2	Dec. [illegible]
Louisiana Land & Expl.	.25+.80	Dec. 15	Dec. [illegible]
W. M. Lowney	.25	Jan. 16	Dec. [illegible]
M. Loew's	1.00	Dec. 31	Dec. [illegible]
Macassa M.	.03	Dec. 15	Nov. [illegible]
Mack. S. S.	1.25	Dec. 15	Nov. [illegible]
Maclaren Pwr.	‡.50	Dec. 15	Nov. [illegible]
Do.	‡.25	Jan. 3	Nov. [illegible]
H. R. Macmillan A & B	.12½	Dec. 31	Dec. [illegible]
Madsen Red Lake	.05	Dec. 22	Nov. [illegible]
Maple Leaf Gard.	.25	Jan. 16	Dec. [illegible]
Mari. Tel. & Tel.	.20	Jan. 16	Dec. [illegible]
Do. pfd.	.17½	Jan. 16	Dec. [illegible]
Massey-Harris	.37½+1.00	Dec. 15	Nov. [illegible]
L. McBrine pfd.	.50	Jan. 2	Dec. [illegible]

*Initial. ‡Extra. †American funds.

Market Comment

What stocks and bonds are doing and what prominent observers say

The case for a full-fledged bull market received further support with this week's market action.

Strength at New York was most impressive. Both volume and price records were chalked up. Decisive penetration by the Dow-Jones rail average of the March 30 secondary top of 49.60 meant for most Dow theorists final confirmation of a bull market which has been in existence since last June. There is no evidence at the moment which would suggest that this market had run its course.

Despite the fact that investment stocks have led the market upward for the past six months, there has been no important letup in demand for high-grade equities. It is known too that substantial cash reserves await investment opportunities at lower price levels. Now the first authoritative indications of business trend in early 1950 are coming to hand. They are decidedly bullish, much better than had been expected. This, of course, has been a big factor behind the current scramble for stocks. Increasing likelihood that current high dividend yields on many stocks can be maintained through most of 1950 is very appealing from an investment standpoint.

Willingness of U.K. investors to pay premiums for dollar stocks is taken here as indicating possibility in overseas investors' minds of further devaluation of the pound sterling. Canadian stocks affected have been Brazilian Traction, International Nickel and C.P.R.

A healthy sign has shown in the mining market — it is the greater willingness among sponsors of new issues to take on new deals. This has imparted a new note of confidence to this group.

S. G. CHUBB: Lampard, Francis & Co. (Toronto)

The market has been behaving more buoyantly over the past several weeks, but many stocks which ought to have kept pace with the trend, or even been leaders in it, have lagged behind. The issues we think of are those whose dividend payments are microscopic in relation to earnings.

Too many managements are still embued with the idea that conservative finance is the same thing as niggardly treatment of shareholders who are expected to be patient mules receiving a subsistence when times are good and no fodder when times are bad.

This attitude is not only unimaginative but is poor management, for unless there is a proper reward when it can be made, shareholders can be pardoned for not risking their capital at other times. There is only one assurance of a continued stream of investment to keep the system going — fair payments to the owners — and managements should keep this in mind against the day when they will need more capital from their shareholders.

In the meantime, we continue to be bullish as to the general financial outlook, noting that the market as a whole has not yet fully reflected the inflation which has taken place since the end of the war.

The bright spots are those industries which are rooted in one way or another in the natural resources — farm land, forests and minerals. We therefore favor the agricultural implement and newsprint stocks and those of companies allied to the mining industry.

* * *

IRVING R. PICARD; Picard & Fleming (Toronto)

As we draw near to the beginning of a year it behooves us to review the past one so that we may better direct our course in the New Year.

Generally speaking the market action during the past year has been a disappointment; however it has built a solid foundation for a much better market in 1950. Many have been predicting a postwar slump for the past several years, whereas in reality most companies have been making new highs in volume of sales. This pessimism, the cold war plus dollar shortages, has led to public apathy and absolute indifference to the merit or earning power of companies in relation to the low market price for their shares.

While industrial shares are not closing the year at their lows, many are selling at prices which place a value on the company amounting only to their working capital or at less than the value of their assets.

The investor or speculator apparently has lost sight of the fact that most businesses during the war became healthier than any time in their history. Plants were expanded, new methods were adopted and new machinery was purchased, most of which have been substantially or wholly written off. Surplus and working capital have been built up to weather practically any storm.

Base metal prices seem to be high enough. If they remain at present levels profits will remain good; however, any drop in prices will have an adverse effect on the market price of base metal shares.

It seems inevitable that the market price of gold shares will enhance considerably next year. The devaluation of the dollar is equivalent to an increase of $3.50 per ounce for gold. Production has been increasing, costs are coming down, unskilled labor used from necessity has now been trained resulting in greater and more efficient manpower production. The stock market has not reflected these important factors.

The outlook for western oils is exceptionally good. Make no mistake about it: Canada is rapidly becoming one of the oil and natural gas producers in the world. Developments have been so rapid that most of us find it hard to digest the fact that many companies have added millions to their asset value. Oil reserves still in the ground are of such a reliable character that our conservative Canadian banks are willing to lend substantial sums against them.

The small independent companies slow to start are now rapidly entering the picture. Overproduction is the "bugbear" at the moment but in an oil starved world and particularly in an oil starved country like Canada it is only a matter of time until pipelines will carry the oil to a waiting market.

The necessary factors to make a "bull market" in 1950 are very prevalent such as — small offerings overhanging the market — record bank deposits — generally low market prices — good earnings — relatively high dividend rates and continued prosperity in our great country.

* * *

HUGH MACKAY & CO. (Saint John, N.B.)

Having in mind the iron ore and titanium developments in Quebec, the industrial expansion in Ontario, the oil expansion in Alberta and the Aluminum Co. plans in British Columbia, there would appear to be ample evidence for optimism in Canada for the years ahead.

It must be admitted that Canadians have problems, such as our future exports markets, but we must not blind ourselves to the many important developments taking place here in Canada which should go a long way toward offsetting any uncertainties. To share in the growth of one's country is a normal and healthy desire for any individual. Aside from "being in business for oneself" about the only way for anyone to really participate in a nation's progress is to own shares in growing companies.

Next month ushers in a new decade, a period which may mean a rich and prosperous era for Canada. A thought uppermost in the minds of most investors will be how best to ensure sharing in this growth. In the past 10 years investors have been increasingly aware of how "selective" the modern-day securities markets have become. It seems reasonable to expect that in the coming decade, selectivity will continue to be most important for the investor seeking to participate in the future growth and expansion of Canada.

* * *

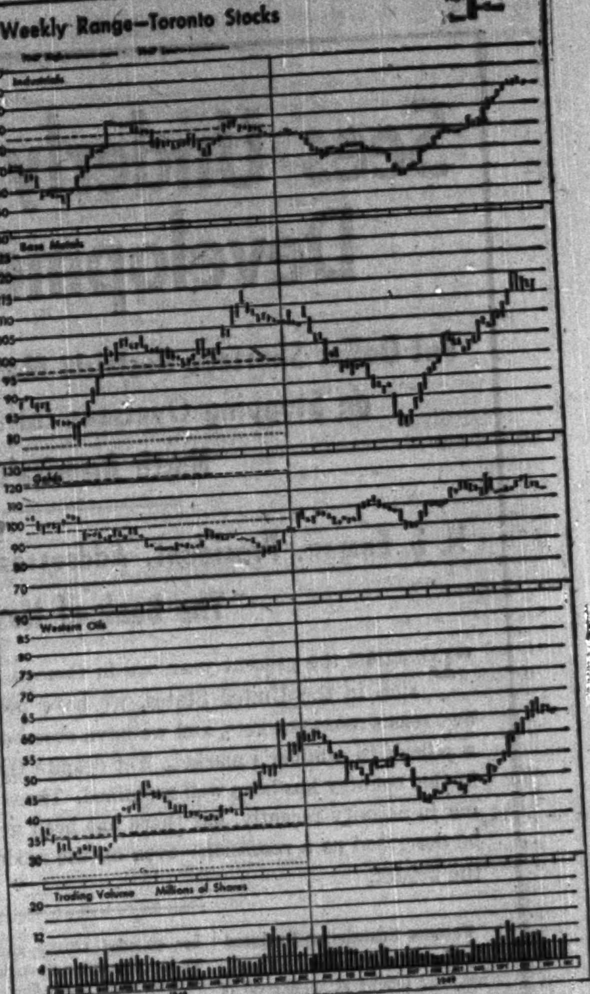
HARRIS, UPHAM & CO. (New York)

Many investors who had gone into financial storm cellars back in 1946 in hopes of reinvesting funds when the recessionary storms were over were surprised this summer to find that earnings on the Dow-Jones industrial stocks had increased 69% and dividends 53% since 1946. They also saw the government fighting deflationary trends with inflationary weapons and they realized that the "cold war" had helped keep business activity high in spite of the partial readjustment to a peacetime economy.

The result has been the longest and sharpest market recovery since 1945-46. While the pace of the advance slowed down during November, the industrial and utility averages distinguished themselves by moving above their highs of the last three years with the former selling within 9½% of its highest price since 1930. Aiding the recovery has been the realization that the income from common stocks is much greater than it is from other investment media as the following figures show:

Investment Needed To Earn a $1,000 Annual Income

Dow-Jones Industrials	$15,950
Dow-Jones Rails	13,250
Dow-Jones Utilities	20,000
High Grade Preferred Stocks	25,700
Highest Grade Corporation Bonds	39,000
Long Term Government Bonds	47,500
Savings Banks	50,000



New Highs & Lows

During the week ended Dec. 2, 41 new highs were recorded among the general stocks on Canadian Stock Exchanges and 12 new lows. In the mining group there were 5 new highs and 14 new lows. In the western oil group there were two new highs and four new lows.

GENERAL

New Highs—1949

Abitibi, Ashdown Hdwre., Brant. Cord., Br. Amer. Oil, Do. pfd., Can. Nor. Pwr., Candn. Ind. pfd., Claude Neon A, Can. N. Power, Can. Packers, Craig. Bit. pref., Dominion Bank, Dom. Coal pref., Dom. Square, Dom. Tar & Ch. pf., Easy Washing, Gen. Products A, Goodyear Tire pf., Gt. Lakes Pap. pf., Great West Life, Gypsum, Lime, Hahn Brass, Indust. Accept., Int. Paper, Int. Util., Massey-Harris, Molson's Brew., Morgan pref., Nat. Drug., N. Sew. Pipe A, Prov. Transport., St. Law. Corp., Do. 1st pref., Shaw. Power pref., Shea's Brew. A, Stand. Radio, Tor. Mtge., Traders Fin. A, Do. B, Western Breweries, Geo. Weston pref.

New Lows—1949

Guaranty Trust, Claude Neon pref., Regent Knit. pref., Rolland pap., Trans. Television, Wool Combing, Burnett Ltd., Canada Foils, Chateo Steel, Dom. Electro, Dom. Scot. Inv., Fleury Bissell pref.

MINING

New Highs—1949

Jaculet, Joliet Quebec, MacL.-Cockshutt, Roybar, United Keno Hill

New Lows—1949

American Yk., Band Ore, Barnat, Boymar, Cent. Manitoba, Cons. Astoria, Little Long Lac, McLellan Gold, North. Canada, Parbec, Taku, Temiskaming, Thompson, Wingait

OILS

New Highs—1949

Commoil, Gaspe

New Lows—1949

Acme Gas & Oil, Admiral, Mill City, North Continental

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$20.66	$20.00	$21.00
Hogs	27.34	28.15	28.60
Copper, lb.	.18½	.18½	.23½
Sugar, raw, lb.	.0520	.0535	.0518
Coffee, lb.	.48½	.51	.27¼
Hides	.25	.25	.28
Weekly Indices			
U. S. Labor	151.5	151.5	164.0
Dow Jones	135.28	135.75	147.24
Fisher's	160.8	159.7	171.0
Monthly Indices			
Retail (Nov.)†	161.7	162.2	159.6
W'sale (Sept.)	155.4	155.5	158.4
U. S. (Aug.)	153.0	153.6	169.4
Gt. Brit. (Aug.)	228.6	228.8	221.1

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price, Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Gair Company Purchase To Expand Operations

Gair Co. of Canada, manufacturers of paperboard, folding cartons and corrugated containers, announces purchase of the capital stock, buildings and real estate of Premier Paper Box, Ltd., Montreal. This purchase is expected to considerably expand the folding carton operations of the company and enable it to provide better service in Montreal and the Province of Quebec, according to a company official.

ASCOT METALS CORP. has reached the ore zone at the fourth level, according to Mine Superintendent H. G. Way. Surface drilling has been suspended for winter months.

Bond Tenders

12 noon, Dec. 1, 1949, City of Ottawa, 2%, 2½%, 2¾% [illegible], 1-20 year serial debentures, $2,242,000, dated Nov. 30, 1949.

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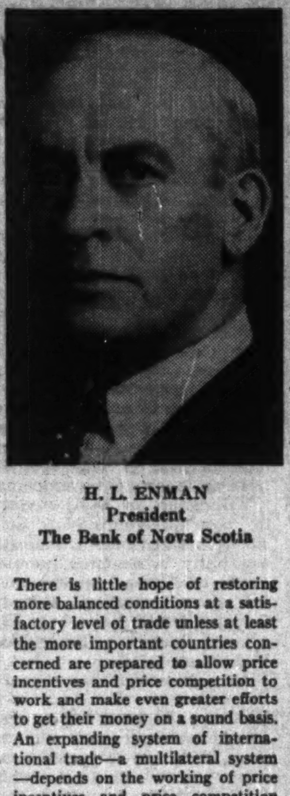
Sees Underlying Trend Upward Development Prospects Bright

But Dollar Shortage Restricts Markets and Solution Depends on Stopping Overseas Inflations and Increasing North America's Imports

H. L. Enman, President, Addresses 118th Annual Meeting of The Bank of Nova Scotia



H. L. ENMAN
President
The Bank of Nova Scotia

"DURING the present year, we in Canada have witnessed a short-lived recession in the United States, we have been increasingly aware of losses in overseas export markets, and we have observed a continued if gradual shift from a seller's to a buyer's market. Yet despite these developments, business activity in this country has been well sustained. There has been some evidence of slackening in activity recently, but there has been no downward movement which could be described as a recession—even on the moderate scale of the downturn across the border.

Factors Sustaining Business

"The trend of business in Canada normally follows at an interval of a few months the prevailing trend in the United States. During the present year, however, conditions in Canada have been remarkably well maintained and have not generally reflected the moderate U.S. recession. In appraising our economic position it is well to examine the reasons for this relatively favourable record. Some of them are of a temporary nature and their sustaining influence is already waning. This is true of the large non-recurring disbursements—some $450 millions in all—made last spring representing the repayment of the remaining wartime compulsory savings and the participation payments on the previous four wheat crops.

"Another influence, which in the light of recent trade returns also appears to be lessening, has been the high level of exports to the United States and to a few other countries such as India and South Africa. In the first eight months of the year, higher exports to these countries helped to keep up our total exports in the face of restricted markets in most overseas countries, but more recently some reductions have occurred and exports to the United States in particular have been considerably below last year's high levels. Other sustaining influences are still fully operative. They include the reduction in taxation, larger defence outlays, and certain other increases in government expenditures. The resulting sharp reduction in the federal government's surplus and the continued official 'easy money' policy which has facilitated a further increase in the volume of credit, are significant "expansive" factors as are corresponding developments in the United States.

High Rate of Capital Expansion

"The most important influence supporting business activity has been and still is the continued high rate of capital expansion and construction activity which this year has been even larger than in 1948.

"The high level of investment in this country reflects more than the working-off of the large backlog of capital needs accumulated during the war and the depression before it. It is also associated with, indeed it is a part of, a notable growth in the size of the Canadian economy—a growth of population, of production, and of known and usable natural resources. In its re-equipment aspects, the rate of capital investment is passing its peak. Established manufacturing industries are in many cases well along with their programs of modernization and expansion. But there is a momentum of growth associated with the opening up of new resources and with the needs of an increasing population which remains clearly in evidence.

Canada's Growth Striking

"We in Canada are now beginning to realize how much our country has grown in recent years. Despite the long hard times of the 'thirties, our economy has made great strides since that October day in 1929 which marked the end of the 'new era'. Compared with 1929 our economy has grown almost beyond recognition. Our population is more than one-third larger. Our employed working force is some 50% bigger. Our production is probably a good 75% larger.

Immigration Has Enlarged Opportunities

"Thirteen and a half million Canadians in 1949 were on the average a good deal better off individually than were ten million in 1929. In the last few years the natural increase in our population has been marked and we have absorbed large numbers of immigrants with obvious benefit to the whole country. Nearly 350,000 immigrants have entered Canada since the end of the war. In the twelve months ended last June, the number exceeded 120,000 and though we lost population through emigration, especially to the United States, the net gain was around 90,000.

"These new citizens have helped to develop and broaden our economy. Their presence has enlarged rather than reduced the opportunities and the welfare of other Canadians. I emphasize these points because they indicate that we should continue to encourage immigration to the full extent that we can absorb new citizens. It is well to remember that the primary resources of any country are its human resources, that it takes work and brains to develop natural resources and industry, and that people with the initiative and courage to make a new start in a new land often contribute much to the country of their adoption.

Oil, Gas and Iron

"Canada is a growing country. The expansion of recent years has been striking and the potentialities of the future are great. We are beginning to appreciate the significance of the oil and gas developments in Alberta. For the time being, production is sharply restricted awaiting the construction of the new pipeline which will open up more distant markets. If the transportation facilities were available, production of oil in Alberta today might well amount to a third of Canada's requirements. And meanwhile, development and discovery are pushing rapidly ahead and hold out the hope that Canada may before long produce oil on a scale comparable to her own consumption.

"Then there are the Quebec-Labrador iron deposits which have attracted interest in the United States as well as in Canada. It is reported that drilling over the last three summers has proved 300 million tons of high-grade ore and it is believed that there is a good deal more. Plans for construction of a 360 mile railway from the iron deposits to the Gulf of St. Lawrence have been made, and further steps toward the financing of this very large project have recently been announced. A large new deposit of ilmenite—the largest known in the world—is being developed, also north of the St. Lawrence, and a plant to make titanium dioxide from it is under construction.

More Power and Fuel Basis for Progress

"I mention the three outstanding recent mineral developments to illustrate that the day of large-scale discoveries is not past. They are not the only discoveries of importance nor are minerals the only field in which resource development is occurring. Hydro-electric power is another major resource which is being rapidly developed and where the potentialities are still large. Its further development combined with that of oil and natural gas provides one of the essential bases for more industrialization and a bigger economy.

Must Conserve Forests

"Moreover, there are great possibilities of improving the use of existing resources of forest and land, which if less colourful are perhaps even more important than the discovery of new resources. The forest is one of Canada's prime sources of wealth and the vast forested areas of this country can be made to yield a perpetual crop even larger than our present output if we take proper measures to encourage growth and to reduce waste.

Land Primary Resource

"There is much, too, that can be done in connection with the improvement and utilization of farm land. Useful research work is being done in this connection at the universities and by governments and probably few of us appreciate the contribution which the agricultural technicians are making.

"Then there are some large-scale developments in agriculture such as the new irrigation projects in the west. Irrigation is usually an expensive undertaking and is only feasible in limited areas. However, one only has to see a successful irrigation scheme to realize what a remarkable effect it has on the productivity of farm land and on the whole development of the area concerned. Costs should, of course, be carefully considered but the wider and indirect effects of irrigation in fostering economic development should be given due weight in assessing new projects.

Near-Term Outlook Uncertain

"I have spoken at some length about the potentialities of growth in Canada because I believe it is important that we should see our current position in its right perspective. The underlying trend is decidedly upward—we are still a young and growing country. The near-term outlook, however, is less reassuring. As I noted earlier, some of the forces sustaining high activity are waning and there is evidence of a slight easing in recent months.

"In the United States, the business picture is also rather uncertain and not a little confusing. A year ago, there was widespread concern in that country about the danger of a slump. Today, after a very slight recession the U.S. position is widely described as 'inflationary' and the outlook as quite favourable. It is possible that the current atmosphere of optimism is somewhat over-done. Though I do not suggest that there is reason to look for an early downturn in the United States, I believe we should endeavour to keep a balanced view and that as Canadians we should be well advised to assume that the trend away from the seller's market which has been evident for some time will continue, and that conditions in the U.S. market will be highly competitive. We shall have to be on our toes to keep up our exports to the United States.

Loss of Overseas Markets Foremost Economic Problem

"If this view is correct, it follows that we shall be increasingly concerned during the coming year with the difficulties facing our overseas export trade—difficulties which are already our foremost economic problem. We have been facing serious restrictions of our exports in the sterling area, in Europe, and in Latin America. We have been losing markets not through lack of ability to compete but because of restrictions imposed by overseas governments designed to save dollar expenditures. This lack of balance in world trade, or as it is more popularly known, the dollar shortage, is of course at the root of our difficulties. Its seriousness is vividly illustrated by the recent sharp devaluation of sterling and many other currencies.

Devaluation and Dollar Shortage

"No easy or early solution of the dollar shortage is in prospect. However, devaluation of sterling and the many other currencies may properly be viewed as an essential first step toward an eventual solution. These devaluations set rates which are regarded as more realistic and which should permit Britain and other overseas countries to compete more effectively in dollar markets. By increasing the cost in devalued currencies of goods from dollar countries, it should reduce reliance on controls and restrictions. In short, it establishes relative prices which should help to solve the dollar problem rather than aggravate it as the earlier exchange rate structure was tending to do.

Devaluation Only First Step

"But the recent devaluations are no more than a first step toward a solution of the dollar problem. There is little hope of restoring more balanced conditions at a satisfactory level of trade unless at least the more important countries concerned are prepared to allow price incentives and price competition to work and make even greater efforts to get their money on a sound basis. An expanding system of international trade—a multilateral system—depends on the working of price incentives and price competition and on currency convertibility.

Must Allow Price System to Work

"The working of the price system relies on the verdict of the market. It simply represents a balance between the interests of buyers and sellers. It relies on the hope of gain and the fear of loss. These are not the only motives behind human effort but they are important. If rewards for greater effort, imagination, and risk-taking are unduly diminished, these qualities will be less in evidence and the results may be far-reaching. Governments of course have a major role to play in economic life—a role which includes provision for social security and for the enlargement of opportunity and which also includes the regulation of monopoly and restrictive practices. But if governments act in a manner which gravely reduces incentives to produce or which is contrary to the clear verdict of the marketplace, the result is apt to be a slowing of economic progress and a lack of balance in production and trade.

Sound Money Essential

"The attainment of sound money, that is money the value of which people outside the jurisdiction of the government concerned will accept, depends in the main on keeping the national expenditure from outrunning the national production. If, through the activities of its government or those of its citizens, a country persistently tries to spend more than its production warrants, it faces rising prices and a weak exchange rate.

"This is a simple fact which is all too evident at the present time. Many countries in the sterling area, in western Europe, and elsewhere have recently been endeavouring to spend more than their national production has warranted. The forces leading them to expand their expenditures are cogent ones, for in contrast to us on this continent they suffered staggering economic losses as a result of the war or, as in the case of India, their standards of living are very low and their peoples impatient for some improvement. But the unpleasant fact remains that despite the notable recovery in their production—and their production has increased remarkably—most of these countries have been trying to spend more than their increased production and the assistance from the European Recovery Programme and other sources have justified. Whatever one thinks about this, it is a fact which must be faced and overcome largely by the efforts of the countries concerned. If over-spending or inflation is not stopped, or to put it another way, if sound money is not re-established, then the improved competitive position gained by the recent devaluations will be all too quickly dissipated.

North America Must Import More

"The rebuilding of a healthy system of international trade also depends greatly on the actions and policies of North America. There are two sides to the dollar shortage and it is up to the people of the United States, and also of Canada, to play their part in solving it. We in North America who so readily express our belief in the price system in such general though expressive phrases as 'free enterprise' or 'multilateral trade' have now got to show that we mean what we say in a really concrete way.

"We on this continent must let the competitive advantage, which overseas countries have gained by devaluation, work in our own markets and the United States in particular should give better access to foreign goods in her markets.

U.S. Protection Outdated

"The United States contains within its own borders a great free trade area and yet, as Canadians well know, that large domestic market is often effectively protected from outside competition. The United States still has a protective system characteristic of a young country striving to develop its manufacturing industries and, superimposed on that, a protective system more typical of an older country trying to shelter its farmers from foreign competition. Yet the United States is the strongest and most efficient producer of manufactured goods on earth and the largest and one of the most efficient producers of foodstuffs. And the United States has a surplus in her current trade running at a rate of over $7,000 millions per annum—a substantial part of which she is generously financing through ERP.

Challenge to U.S.

"So, for the United States, the challenge is to change its approach and to hasten the heartening but very gradual trend of recent years toward reduced trade barriers. The world cannot buy more from the United States than it can pay for. How much it buys depends on how much it can sell to that country and on how much the United States gives, lends, or invests abroad. ERP outlays are being gradually reduced and are in any case temporary. The revival of private investment on a really substantial scale depends heavily on establishing a greater degree of convertibility of currencies and of confidence in economic affairs abroad, and these conditions can scarcely be attained unless there is a substantial increase in overseas sales to the United States. So the core of the problem is to increase the sale of overseas goods and services to the United States. There is no escaping the conclusion that if overseas countries cannot increase their sales to the United States substantially they will further restrict their purchases.

Essential that Canada Buy More Overseas

"We in Canada must also buy more from overseas or we shall surely sell less. Our problem, however, differs from that of the United States since we do not have any significant surplus in our total trade. We do have a surplus with overseas countries, but we have a roughly corresponding deficit with the United States, which means that we, too, have a U.S. dollar problem. So our problem is more one of diverting some of our purchases from the United States to overseas countries, and of sustaining and if possible increasing our sales to the United States.

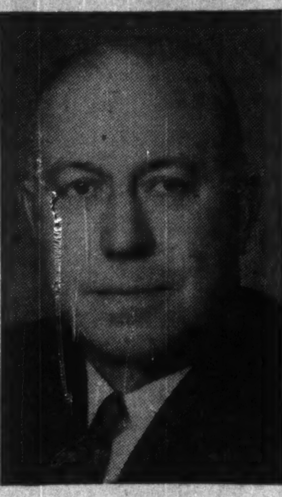
"That is the logic in the recent moderate devaluation of the Canadian dollar. It helps to maintain the competitive position of our exports in the U.S. market as against U.S. competition in other markets, and it makes imports from the United States somewhat more expensive. The much greater devaluation of sterling and a number of other overseas currencies improves the competitive position of those countries in the Canadian market, while the 10% increase in the cost of most U.S. goods provides a real incentive for Canadian importers to look for other sources of supply.

Must Give Higher Priority to Dollar Problem

"A solution of the dollar problem at a high level of trade is certainly possible. It can be solved if there is the will to solve it. It seems to me, however, that all the countries concerned will have to give this objective a higher priority if it is to be reached. Expressions of belief in multilateral trade are being made constantly by officials and businessmen in every country of the democratic world. But as yet they have not been accompanied by sufficient action to stop inflation, to give more scope to price incentives and competition, and to reduce trade barriers where reductions are most needed. Action along such lines is the only way the dollar problem can be solved at a high level of trade. If it is not solved through a larger flow of overseas goods to North America and through a following revival of capital movements, it will be solved through further restriction of trade. A solution through further restriction of trade would have most unfavourable effects on the economic position of all the countries concerned. More than that, it would contribute to a degree of friction and division in the western world which the democratic countries cannot afford to permit."

Rising Government Expenditure Calls For Active Public Interest

C. Sydney Frost, General Manager of The Bank of Nova Scotia, Reviews Growth of the Bank and Discusses Implications of Government Spending and Monetary Policy.



C. SYDNEY FROST
General Manager
The Bank of Nova Scotia

"Our Assets showed a considerable further increase during the banking year: Total Assets now exceed $800 millions. The increase in Assets and the roughly corresponding rise in Deposits reflect sustained business activity, the continued strong demand for credit, and the fiscal and monetary policies of the Government.

A Notable Increase in Loans

"The increase in Loans is the most striking feature of our Statement, since it is the major item in the growth of Assets and the principal reason for the somewhat better level of earnings. Actually Loans increased by no less than $47 millions during the year to a total of $340 millions. This is a larger increase than in the preceding year and we have certainly held our relative position in this highly competitive field maintaining proper regard for the quality of our loans.

"The further increase in bank loans, and there was a substantial increase for the banking system as a whole, calls for an explanation in view of the fact that, though business activity has held at a relatively high level, it has not generally increased as compared with a year ago. One reason for the further rise in loans is that some businesses have found it necessary to replenish their inventories in view of the well-sustained demand for their products. At this time last year there was a quite widespread tendency to pare down inventories as a precaution in the event of any reduction in demand or prices. In many cases, demand and prices have been better sustained than was expected and some additions have been made to inventories to meet working requirements.

"In addition, more credit has been provided and terms have been somewhat lengthened in the sale of a number of lines of goods, and this has led to some expansion in bank loans to merchandisers and to companies financing instalment sales. Another general influence, which has been apparent for several years, is the indirect effect on bank lending of the large capital expansion program. More and more businesses have invested their available surplus funds in fixed assets and as a result have been more dependent on bank accommodation for current operating needs. In addition, the security markets have been more active with the result that loans to dealers have risen.

Business Should Guard Against Undue Optimism

"There are thus good and sufficient reasons for the increase in bank loans. At the same time, I believe that the business community should be on its guard against undue optimism, against the impression which some are inclined to draw from the strength of the stock market in recent months that the trend of business after a period of indecision is again firmly upward. The outlook in the United States, while far from discouraging, is by no means assured and in Canada we are additionally and rightly concerned with the problem of maintaining our exports.

Further Rise in Money Supply

"In line with the substantial increase in our Assets, our total Deposits have risen notably. They have increased by no less than $60 millions over the year to $728 millions. This is an increase of 9% as compared with a year ago and is part of a general expansion of bank deposits in this country. It may be remembered that during 1947 the long upward movement in Canadian bank deposits was checked. In 1948, however, the expansion was renewed and the increase this year has been greater than last. In other words, there has been a considerable and accelerated increase in the supply of money. It is true that the greater part of the recent increase has occurred in notice deposits which are of course much less active than demand deposits, and this to some extent lessens the inflationary implications of the increase. Nevertheless, the fact that we in Canada have experienced a further increase in bank deposits at a time when the national production has shown little change is a matter of significance.

Policy of Low Interest Rates

"This expansion in bank deposits is related in part to the general increase in the demand for bank credit to which I have referred. However, it also reflects the reduction in the cash surplus of the Federal Government and the continuance of the official policy of maintaining comparatively low interest rates on the national debt. The increase in bank loans did not lead to any net sale of government securities by the banking system because the central bank saw to it that the cash reserves of the chartered banks were sufficient to permit the increase in loans and also to induce the banks as a group to add somewhat to their holdings of government securities. The official policy has indeed led to some decline in interest rates on government securities over the year, and appears to have followed the similar trend in the United States.

Danger of Adding to Inflationary Forces

"No one in his senses wants depressed conditions and most of us believe that fiscal and monetary policies should be used to combat depression. Yet in this country, and perhaps even more in the United States, there appears to be such widespread anxiety about deflationary tendencies that there is a real danger of adding to inflationary influences, and thus postponing or interfering with readjustments which would lay the basis for more balanced expansion in future.

Rising Government Expenditures

"These observations lead to considerations of the Federal Government's fiscal position. Tax reductions, coupled with an upward trend in expenditures, have resulted in a decline in the surplus to a moderate amount in the present fiscal year. The gradual reduction in taxation has been welcome, though it has limited retirement of the national debt. Lower taxes have increased incentives and eased to some extent the burden on those groups who have not shared fully in the general rise in incomes.

"The rise in expenditures, however, is a matter which, I believe, deserves far more public consideration than it has received in the past. In part, the increase has been unavoidable, reflecting the higher costs of government and the needs of defence, admittedly pressing. Social security and welfare benefits have also contributed to the higher outlays, and to some extent the increase is probably the result of the lack of strong pressure for economy because of buoyant revenues. Moreover, the trend of expenditures is upward. Outlays for defence are if anything likely to increase further, and added social security and welfare measures may well be discussed at the coming meeting of the Federal Government and the Provinces.

Federal-Provincial Relations

"It is earnestly to be hoped that a more stable and workable division of powers and responsibilities between the Federal Government and the Provinces may be reached. That Canadians should have national minimum standards in regard to basic social services is desirable, and social security and welfare plans should be integrated and balanced. And it is clearly the part of wisdom that attention should be centred on the problems which would arise in the event of widespread unemployment.

Community Pays for Government Outlays

"With strong forces at work to increase Government expenditures, the situation is one of vital concern to us all. At present, the Government has a balanced budget, with a relatively small surplus at a time when the national income is at a peak level. If business activity should decline to any considerable extent, the surplus could readily turn into a large cash deficit. Even assuming continued high activity, increasing Government expenditures have certain unavoidable consequences, which may be stated very simply as higher taxes or deficit financing. There are obviously few who are ready to consider higher taxes—they still seem quite high enough and they are high by any but recent standards. It may be easy to run a deficit, but that does not alter the fact that the deficit has to be paid by the community at large. There is no way in which a Government can get money without cost. Though wise expenditures may help to increase the national production, each dollar that a Government spends, whether it raises the money through taxes or deficit financing, must come from the work and savings of the people.

Need for Active Public Interest in Government Spending

"It is not realistic to expect governments, which are representative and responsive to public opinion and group pressure, to worry unduly about the cost of government unless there is a wide body of public opinion which does. Government expenditures increase so readily because most of the purposes are desirable in themselves. All of us, therefore, have strong reasons to take an active interest in the effect of Government expenditures.

"Though the practical difficulties are great, there is need to improve on the present method of budgeting one year at a time. A longer-term budgeting system would seem to be desirable, with some effort made to state priorities in regard to expenditures, in order to help us form an intelligent opinion of what we want or do not want in the light of the probable cost. Our own and other democratic governments are involved in economic planning and have accepted major responsibilities in economic affairs. This surely means that their plans—their contemplated expenditures and revenues—should be seen in perspective and frequently reviewed by the public. There are too many examples in the world today of the trouble in which we, too, could find ourselves by simply pyramiding expenditures, however desirable individually, without endeavouring to count the cost.

Newfoundland Joins Canada

"As an official of the first Canadian bank to establish in Newfoundland more than half a century ago, and as one who lived for some years in Newfoundland, I say with confidence that the decision of that country to become the tenth Province of Canada is a fine thing for Canada, and I trust, also, that it will prove to be of lasting benefit to the new Province. The natural resources which Newfoundland brings to confederation, in the island itself and in Labrador—forests, minerals, waterpower—the fisheries of the coastal waters, and the military strategic position, are important considerations. These, however, are but a part of the contribution which Newfoundland is destined to make. A greater participation will spring from the fortitude, vigour, and self-reliance of her people. They will contribute their full share in strengthening and enriching our national life.

Growth of the Bank

"In the last few years, we—and our competitors too—have been engaged in the task of expanding our facilities to meet the needs of a bigger Canada. Since the end of the war, we have added 75 new branches and in doing so we have been able to obtain a better balanced representation across the country. We have gone vigorously at this job of increasing our branches not only because our competitors have also been active but because, as the President has emphasized, the underlying trend in this country is toward expansion. As a result of such activities, banking facilities have been brought to new communities and facilities in expanding communities have been suitably enlarged. It is fair to say that economical and efficient banking service has accompanied, and often preceded, business expansion in all parts of the country.

Personnel

"This report would not be complete without paying tribute to our staff. The goodwill of the public must be recognized as our most important asset and the extent to which it flourishes is determined by the staff in its day-to-day associations. Of our personnel, therefore, much is expected. Intelligence, courtesy, tact, and a willingness to be helpful are all characteristics essential to the cultivation and maintenance of public confidence and friendship. Industry and initiative are qualities requisite to the conduct of our internal affairs and the application of these qualities by a loyal staff, to which it is my privilege to give grateful acknowledgment, is reflected in the successful outcome of the year's operations."

THE BANK OF NOVA SCOTIA

BUT NATURE DOESN'T!

THE NEED FOR PROTECTION
AGAINST CRIPPLING LOSS
FROM
FIRE AND WINDSTORM
ALWAYS EXISTS

Specialization is the keynote of success in any field. From 64 progressive years of specialization in fire and windstorm insurance The Portage Mutual has accumulated vast experience. This knowledge plus sound resources assure adequate indemnity at minimum rates.

The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
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Est. 1884

THE MONARCH LIFE Assurance Company — ESTABLISHED 1906
A PROGRESSIVE CANADIAN COMPANY

YOUR ASSURANCE OF WORLDWIDE COVERAGE

What price a corner stone?

BACK IN 1833 when the BRITISH AMERICA ASSURANCE COMPANY was incorporated, a corner stone and the building that arose from it cost "X" dollars to erect. A hundred years later, the cost had increased considerably and, today, building costs are at an all-time high.

Fire insurance that covers only the original cost of construction is poor economy. At small expense additional insurance to-present-day-value can become effective immediately. Besides safeguarding the physical loss caused by fire, insurance can make provision against loss from business interruption while rebuilding.

Your BRITISH AMERICA agent will be glad to consult with you about these important insurance coverages. The BRITISH AMERICA ASSURANCE COMPANY provides comprehensive insurance protection to Canadians through its Toronto office, and branches and agents in countries throughout the World.

BRITISH AMERICA ASSURANCE COMPANY
HEAD OFFICE — TORONTO

FIRE · MARINE · AUTOMOBILE · CASUALTY · AVIATION

Growth of Smaller Firms In Life Insurance Field

Life insurance, far from being a monopoly, is keenly competitive, witnesses told the United States House subcommittee investigating monopoly power at Washington last week.

The investigation was instigated by Representative Emanuel Celler and U. S. Senator McCarran. One of the main objects was to ascertain the effect of large private life insurance investments on the economy in the United States.

Canadian life insurance companies seldom buy corporate bond issues by private deal direct from a company, preferring to deal through the regular security dealer channels. But because many Canadian companies operate in the United States and many U. S. companies operate in Canada, the enquiry is of considerable interest to the Canadian insurance fraternity.

Causes of Growth

First witness was Emil Schram president of the New York Stock Exchange. Asked if he were concerned over the expansion of insurance company assets through purchase, by private placement, of large corporate bond issues Mr. Schram replied in effect:

It is not the size of the insurance companies which should be studied by Congress, but the underlying causes of their rapid growth in assets recently setting a rate of $3.5 billions per year. Cause is the corporate tax structure, and until that is revised, a steady growth in size of insurance companies may be expected. We would like to see more security issues channeled into the hands of investment bankers, but it is better for corporations to obtain venture capital from insurance companies than from a government agency like the Reconstruction Finance Corporation.

It is fortunate the life insurance companies have been able to contribute heavily to the financing of corporate business ventures in the postwar period, because the present federal tax structure has severely reduced incentive for ownership investment by individuals, leaving the bulk of available risk venture capital concentrated in financial institutions.

Creates Idealism

President James A. Fulton of the Home Life of New York, asked if he thought large companies take advantage of smaller ones in the investment field, said they did not.

"There is something about life insurance that breeds a certain amount of idealism. Officers of the companies do not regard companies as money-making enterprises. They recognize their responsibility to the women and children who are to be the beneficiaries of the insurance. There is a certain amount of business statesmanship among the big companies. Their policy is to be co-operative and willing to help smaller companies," Mr. Fulton said.

He continued:

"There is nothing even approaching a monopoly in the business of life insurance. On the other hand, there is the keenest competition between some five hundred companies of all sizes, types and locations. There are no monopolistic practices, trends or tendencies in the business of life insurance.

"There is no type of price fixing in the business or any indication that large companies set a price pattern by their leadership. There is no tendency for a few large companies to eliminate smaller companies either by merger or other means and to dominate the field. On the contrary, the smaller companies have steadily increased both in number and in relative importance. In 1907 when I entered the life insurance business, the five largest companies had in force 53% of the total ordinary life insurance. At the end of 1948 the five largest companies had 44% of the total. In 1907 the ten largest companies had 70% of the total. In 1948 that percentage had decreased to 58%. The tendency is toward diffusion not concentration.

Great Achievements

"From the more affirmative angle, life insurance has grown great because it has done great things for the American people. It has enabled seventy-eight millions of them to help provide for the future of their families and themselves instead of dumping those problems in the lap of an already overburdened government. At the same time, it has helped them preserve their self-reliance. I believe a man is a better American because of the knowledge that he owns something that represents a stake in America that he has created by his own effort and sacrifice.

"Big life insurance companies are big because they have rendered many services to many people and rendered them well.

"Life insurance is in many of its phases a national business and must be transacted by national institutions. For example, a group life policy may cover a concern's employees in every state in the union. Any attempt to regionalize the large life companies would be a crippling blow at the group insurance development which has brought such tremendous benefits to the American workman.

"The fact that life insurance companies are national in their scope enables them to channel investment funds from areas in which there is a surplus to sections where they are more urgently needed.

Large Companies Blaze Trails

"The large companies because they are large have been able to blaze trails which the medium size and smaller companies later follow. My own company has just entered the group insurance field. We would not have dared enter this field if it were not for the pioneering of large companies. We all benefit and policyowners benefit by programs of research and education which are possible only because there are large companies.

"My own background is in the sales end of the business. I am confident that any attempt to penalize success by limiting the growth or size of companies would be a demoralizing influence on the agency forces that have built the American life insurance system. It would impair their usefulness and the usefulness of their companies to our people.

"About 75% of life insurance is transacted by mutual, non-profit institutions. The other 25% is done by stock companies that perform a useful function. By the competition of these companies which have the profitmaking drive behind them, we have a yardstick of the efficiency of the mutual companies. Incidentally, they give an excellent account of themselves. Life insurance is the greatest voluntary co-operative enterprise in the history of the world and has the soundest possible objectives."

Directors are chosen among men of affairs, with great care and with the intent that their counsel is the best the company can obtain, Mr. Fulton said.

They attend meetings conscientiously. If the directors lived in widely separated parts of the country they would find it difficult to attend directors' meetings from the standpoint of railroad travel alone as that would require them to spend so much time away from their own offices.

Effect of Taxes

L. Douglas Meredith, executive vice-president and chairman of the finance committee of the National Life of Vermont, charged that government policies have imposed a severely burdensome hidden tax on the thrift and prudence of the American people. These policies have brought about the lowest money rates in history, he stated, adding:

"Direct and indirect taxes which we formerly were not called upon to bear, also contributed to the rise in life insurance rates. Some of these taxes were imposed under the guise of wartime necessity but continue with us today though hostilities ceased almost five years ago." Fiscal policies caused a decline in net interest earnings and caused a rise in prices which has increased wage rates and cost of materials needed by life insurance companies.

As an example of the price inflation of the last decade, a policyholder who in 1935 carried $40,000 of life insurance today would be obliged to carry $76,000 in order to give his family the same purchasing power if his death occurred at this time, exclusive of the consideration of substantially increased taxes.

INSURE WITH CONFIDENCE . . .

With the first British Insurance Office established in Canada, 1804.

PROTECTION

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ASSURANCE COMPANY LIMITED OF LONDON, ENGLAND

55 Wellington Street West, Toronto.

IFRE ● AUTOMOBILE ● CASUALTY
INLAND TRANSPORTATION ● MARINE

INTERNATIONAL MINING CORP. shareholders are in receipt of an offer of Pitman & Co., investment bankers of San Antonio, Texas, and associates, to buy all or any part of 30,000 shares of common stock of International Mining Corp. at $6 a share. Funds for the purchase of the 30,000 shares are stated to be on deposit with the Marine Midland Trust Co. in New York City. Stock certificates accompanied by letter of transmittal sent by registered mail must be received by Marine Midland not later than Dec. 16, it is stated.

Underwriters Incorporate In Western Canada and B.C.

The Western Canada Insurance Underwriters' Association and the British Columbia Underwriters' Association are incorporating with all the rights and powers of continuing legal entities, The Financial Post is informed. Both bodies are associated with the Dominion Board of Insurance Underwriters.

All rate-making operations are left to the jurisdiction of the territorial associations such as the two bodies named, the Canadian Underwriters Association in Ontario and Quebec and the boards of underwriters in the Maritime Provinces.

The Dominion Board while taking no part in setting territorial rates etc., however, seeks to maintain and strengthen established insurance principles for the general good of the business.

Guaranty Trust To Split Stock

At a special general meeting in Toronto Dec. 20 shareholders of Guaranty Trust Co. of Canada will be asked to approve a bylaw authorizing a split in the capital stock. The bylaw provides that stock be divided into shares of $10 each instead of $100, and if approved there will be issued 10 shares of $10 each for every $100 share held.

Splitting the stock will permit more people to invest in the shares, thereby providing wider distribution and greater marketability as well as making it possible to attract a larger volume of business through new shareholders, President J. Wilson Berry states. The sub-division of the shares will in no way alter the company's paid-in capital on which dividends are based.

The bylaw, passed by directors, must be confirmed by at least two thirds of the votes cast at the meeting.

Municipal Bonds

Dec. 6, 1949

	Coup. %	Matur.	Bid $	Ask $	Yld. %
Victoria ...	3¾	'55-66	98¼	100¼	3.73
Vancouver .	3¾	'69	99	101	3.68
Calgary ...	3½	'62	99	101	3.40
Edmonton .	3½	'60	99	101	3.40
Regina	3	'64	90½	92½	3.65
Moose Jaw	3-3½	'60	94	97	3.30
Winnipeg .	2¾	'66	a93½	95½	3.09
Ottawa	3	'54	101½	103½	2.23
Toronto ...	2¾	'72	94	97	2.94
Hamilton ..	3	'60	99	101	2.90
Windsor ...	2½	'75	72	75	4.05
Windsor ...	2¾	'75	76	79	4.05
Windsor ...	3½	'75	88	91	4.05
Montreal ..	3	'70	93	96	3.27
Quebec	3½	'64	99	100	3.50
Halifax	3	'66	95	98	3.15
Saint John .	3½	'65	99	102	3.34

Bond Redemptions

Bond issues:	Rate	Year	Call	Price
♦Algoma Cent. Term. 1st mtge. D.S. & bds.	5%	1959	Dec. 31	125
♦Candn. Nat. Rly.	5%	1970	Feb. 1	105
▲Cons. Pap. Corp. 1st mtge. bds.	3½%	1967	Jan. 2	101½
§United Sec. coll. trust bds. ser. B	3%	1952	Dec. 1	100½

▲778,500. ♦AA o/s. §$372,000.

Investment Trust

	Bid	Ask.
Affiliated Funds	3.94	4.27
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.95	5.40
Can. Invest. Corp.	8.00	8.75
Corporate Invest.	8.65	9.35
Commonwealth Int.	3.56	3.91
Trans-Canada	14.35	....
Do. B	....	15.20

Cdn. Breweries Profits Hold

Profits of Canadian Breweries Ltd. for the fiscal year ended Oct. 31, 1949, will amount to $3 a share, it is officially reported. This will be after providing more than $500,000 additional depreciation and absorbing the operating loss on U. S. operations. For the previous fiscal year, earnings amounted to $3.11 a share.

Working capital will show an improvement of over $1.5 millions, it is stated. It stood at $9,318,471 at Oct. 31, 1948. During the year the company also paid off $1 million of its funded debt The annual report will be published early in January.

ASTRAL MINING & RESOURCES has been granted an extension of 60 days on Dec. 1 installment of 50,000 shares of Jacknife Gold Mines at 7½c a share.

Good Companies All...

Great American Insurance Company New York

Great American Indemnity Company New York

ROCHESTER UNDERWRITERS AGENCY NEW YORK

AMERICAN ALLIANCE INSURANCE COMPANY NEW YORK

Plan for Independence

Protection from disaster and loss is one of the greatest assurances of personal and commercial independence.

A carefully planned insurance program will give you this independence at surprisingly low cost. Call one of our conveniently located agents—or your own insurance broker.

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J. H. HARVEY, Manager
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Creating wages throughout Canada

Canada's pulp and paper output has a value of $800 million annually. This sum is paid out almost entirely in wages by the industry and by those supplying its needs. Pulp and paper, the largest buyer of goods and services in the land, benefits all Canada.

PULP & PAPER INDUSTRY of CANADA

118 MILLS, SMALL AND LARGE, FROM COAST TO COAST

Now YOU CAN GET $10,000 LOW RATE INSURANCE PROTECTION

with TOTAL DISABILITY AND ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

$10,000 for your family if you die from a natural cause; or—
$20,000 if you die by accident; or—
$30,000 if you die by accident while riding as a passenger in a public conveyance (aeroplane excepted), or due to a fire in a public building.

Liberal cash payment for loss of parts of your body and total disability.

Ask for printed card "$10,000 Low Rate Protection" which explains this policy. It will interest you.

Before you Insure Consult Confederation Life Association
HEAD OFFICE TORONTO

DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

NOTICE is hereby given that an extra distribution of TWENTY CENTS per share on the paid-up Capital Stock of this Bank has been declared for the year ending 31st October, 1949, and that the same will be payable at the Bank and its Branches on and after TUESDAY, the THIRD day of JANUARY, 1950, to Shareholders of record at the close of business on 30th November, 1949. The Transfer Books will not be closed.

By Order of the Board.

JAMES STEWART,
General Manager.

Toronto, 18th November, 1949.

Mersey Paper Company Limited

DIVIDEND NO. 8
PREFERENCE SHARES

NOTICE IS HEREBY GIVEN THAT a regular quarterly dividend of $1.125 per share on the Preference Shares of the Company has been declared payable January 2nd, 1950, to shareholders of record at the close of business on December 10th, 1949.

DIVIDEND NO. 5
COMMON SHARES

NOTICE IS ALSO HEREBY GIVEN THAT a dividend of Fifty Cents (50c) per share on the Common Shares of the Company has been declared payable January 2nd, 1950, to shareholders of record at the close of business on December 10th, 1949.

By Order of the Board,

J. A. PARKER,
Secretary.

Liverpool, Nova Scotia,
November 25th, 1949.

The Ontario Loan & Debenture Company

250th DIVIDEND

Notice is hereby given that a Quarterly Dividend of $1.25 per share for the current quarter ending 31st December, 1949, has been declared on the paid-up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 3rd January, 1950, to Shareholders of record at the close of business on the 15th December, 1949.

By Order of the Board.

T. H. MAIN,
Manager.

London, Ontario,
29th November, 1949.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividends:

6% First Cumulative Preferred Stock

No. 98, quarterly, $1.50 per share.

6% Non-Cumulative Participating Preferred Stock (Par value $50)

No. 90, quarterly, 75c. per share. Payable January 16th, 1950, to holders of record at the close of business on December 20th, 1949.

L. C. HASKELL,
Secretary

Montreal, November 25th, 1949.

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared the following dividends:

6% Cumulative Participating Preferred Stock

No. 120, quarterly, $1.50 per share, payable January 16th, 1950, to holders of record at the close of business on December 20th, 1949.

No par value Common Stock

No. 99, quarterly, 30c per share, payable February 15th, 1950, to holders of record at the close of business on January 20th, 1950.

L. C. HASKELL,
Secretary.

Montreal, November 25th, 1949.

CHARTERED TRUST COMPANY

DIVIDEND NO. 124

NOTICE is hereby given that a dividend of 1¼% (25c per share) has been declared on the paid-up Capital Stock of the Company for the Quarter ending December 31st, 1949, payable January 3rd, 1950, to Shareholders of record at the close of business December 15th, 1949.

By Order of the Board.

H. G. SOWARD,
Secretary.

Dated at Toronto,
November 15th, 1949.

CONIAURUM MINES LIMITED

DIVIDEND NO. 35

NOTICE IS HEREBY GIVEN that a dividend of Two and one-half Cents (2½c) per share has been declared by the Directors of Coniaurum Mines Limited, payable in Canadian funds on December 30th, 1949, to shareholders of record December 7th, 1949.

By Order of the Board.

A. G. FULTON,
Secretary.

November 25th, 1949.

GOLDEN MANITOU MINES LIMITED

(No Personal Liability)

INTERIM DIVIDEND NOTICE NO. 6

Notice is hereby given that an interim dividend of five cents per share has been declared by the directors of the company, payable in Canadian funds on January 3rd, 1950, to shareholders of record at the close of business December 12th, 1949.

By Order of the Board,

S. A. PERRY,
Secretary-Treasurer.

Toronto, November 28th, 1949.

QUEBEC POWER COMPANY

NOTICE is hereby given that a dividend of twenty-five cents (25c) per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1949 payable February 25, 1950 to shareholders of record January 17, 1950.

By Order of the Board.

J. L. T. MARTIN,
Secretary.

Montreal, November 29, 1949.

DIVIDEND NOTICES

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

TUESDAY, THE THIRD DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fifteenth day of December, 1949.

By order of the Board.

J. W. ROSE, Jr.,
Secretary.

TORONTO, November 16th, 1949.

CANADIAN WESTINGHOUSE COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that on November 30, 1949, the Board of Directors of this Company declared a dividend of Fifty Cents (50c) per share upon the outstanding Capital Stock of the Company, payable January 1, 1950, to Shareholders of record at the close of business, December 15, 1949, subject to the regulations of the Foreign Exchange Control Board of the Dominion Government.

Cheques will be mailed to Shareholders.

By Order of the Board,

W. A. CAMPBELL,
Secretary.

Hamilton, Canada,
November 30, 1949.

Monarch Mortgage and Investments Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of fifty cents (50c) per share has been declared on the Common shares of the Company, payable December 21st, 1949, to shareholders of record Friday, December 9th, 1949.

By Order of the Board.

NORMAN W. LONG,
Managing Director.

Toronto, December 1st, 1949.

NOTICE OF DIVIDEND
General Petroleums Limited

NOTICE is hereby given that a dividend of Two Cents (2c) per share has been declared payable to the Ordinary and Class "A" Shareholders of record on the books of the Company at the close of business on Thursday, the 15th day of December, 1949, and that the said dividend is payable on Thursday, the 5th day of January, 1950.

Shares of the Company are transferable at the offices of the Crown Trust Company, at Calgary, Vancouver, Toronto, or Montreal, Canada.

By Order of the Board,

N. E. HOWARD, C.A.,
Secretary.

Calgary, Alberta,
November 26th, 1949.

THE STERLING TRUSTS CORPORATION

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1¼% for the current quarter ending December 31st, 1949, has been declared on the paid up capital stock of the Corporation and will be payable on January 3rd, 1950, to shareholders of record at the close of business on December 15th, 1949.

By order of the Board.

E. R. MEREDITH,
Secretary.

Borden's

DIVIDEND No. 159

The final dividend for the year 1949 of ninety cents (90¢) per share has been declared on the capital stock of *The Borden Company*, payable December 21, 1949, to stockholders of record at the close of business December 5, 1949.

E. L. NOETZEL
Treasurer

November 29, 1949

CANADA DRY
DIVIDEND NOTICE

The Board of Directors of Canada Dry Ginger Ale, Incorporated, at a meeting thereof held on Nov. 22, 1949 declared the regular quarterly dividend of $1.0625 per share on the $4.25 Cumulative Preferred Stock and a dividend of $0.15 per share on the Common Stock; both payable January 1, 1950 to stockholders of record at the close of business on December 7, 1949. Transfer books will not be closed. Checks will be mailed.

WM. J. WILLIAMS,
V. Pres. & Secretary

FIBRE PRODUCTS OF CANADA LIMITED

Preferred Stock Dividend No. 7

Notice is hereby given that our regular semi-annual dividend of 25c per share on the preferred stock of the company has been declared payable on December 31st, 1949, to stockholders of record December 15, 1949.

By Order of the Board,

W. GOLDSTEIN,
Secretary.

DIVIDEND NOTICES

Robinson, Little & Company, Limited
WINNIPEG, MANITOBA

Dividend on Common Stock

NOTICE IS HEREBY GIVEN that a quarterly dividend of Twenty Cents (20c) per share has been declared on the Common Stock of the Company, payable on the 31st day of December, 1949, to shareholders of record at the close of business on the 15th day of December, 1949.

By Order of the Board.

HERBERT J. SADLER,
Secretary.

Dated at Winnipeg, Manitoba,
November 29th, 1949.

PENMANS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1950.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of February to Shareholders of record of the 3rd day of January, 1950.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 16th day of January, 1950.

By Order of the Board.

L. P. ROBERTON,
Secretary-Treasurer.

Montreal,
November 25, 1949.

Taylor, Pearson & Carson (Canada) Limited

COMMON DIVIDEND NOTICE

Notice is hereby given that a dividend of twenty-five cents (25c) per share plus a bonus of ten cents (10c) per share has been declared in respect of all common shares of the company issued and outstanding and will be paid to all holders of common shares of record in the books of the company as of December 17, 1949.

The dividend will be payable at the head office of the company on January 2, 1950.

By Order of the Board of Directors.

J. G. FULLERTON,
Secretary-Treasurer.

Edmonton, Alberta,
December 3, 1949.

Highland-Bell Limited

DIVIDEND NO. 36

NOTICE is hereby given that a dividend of five cents (5c) per share has been declared by the directors of the Company, payable in Canadian funds, on January 5, 1950, to all shareholders of record at the close of business on December 17, 1949.

A. T. CARLSON,
Secretary-Treasurer.

Vancouver, B.C.,
December 1, 1949.

Crown Trust Company

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of $1.25 per share has been declared on the paid-up Capital Stock of the Company for the quarter ending December 31, 1949, payable January 3, 1950, to shareholders of record at the close of business December 20th, 1949.

By Order of the Board.

C. D. HENDERSON,
Secretary.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, together with an extra dividend of .25c per share, upon the paid-up Capital Stock of this Company, has been declared for the Current Quarter, and that the same will be payable on

3rd January, 1950,

to shareholders of record on the books of the Company at the close of business on 15th December, 1949.

By Order of the Board.

CHARLES PETTIT,
Manager.

1st December, 1949.

WESTERN GROCERS LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared payable January 15th, 1950, to shareholders of record December 15th, 1949.

On the Preferred Shares $20 Par

$1.40 Series—35 cents a share;

Or alternatively $1.75 a Share on the Preference Shares $100 Par not yet exchanged for Preferred Shares $20 Par pursuant to Arrangement dated June 21st, 1946;

On the Class A Shares—50 cents a share;

Or alternatively $2.00 a share on Common Shares not yet exchanged for Class A Shares and New Common Shares pursuant to Arrangement dated June 21st, 1946.

W. P. RILEY.

Winnipeg Man.,
December 2nd, 1949.

ZELLER'S LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared by the Directors of Zeller's Limited for the quarter ending January 31st, 1950.

On the 6% Preferred Shares, the regular one and one-half (1½) per cent (37½ cents), payable February 1st, 1950, to Shareholders of Record, January 2nd, 1950.

On the 5% Preferred Shares, the regular one and one-quarter (1¼) per cent (31¼ cents), payable February 1st, 1950, to Shareholders of Record, January 2nd, 1950.

On the No Par Common Shares, 50 cents per Share, payable February 1st, 1950, to Shareholders of Record, January 2nd, 1950.

Also, a Bonus was declared on the Common Stock of 50 cents payable February 1st, 1950, to Shareholders of Record, January 2nd, 1950.

By Order of the Board.

T. E. McDERMOTT,
Treasurer.

OIL PRODUCTION

Imperial Excelsior Well Shows 492 Bbl. Potential

From Our Own Correspondent

CALGARY—An initial potential of 492 bbl. daily is indicated for the Imperial Oil Excelsior No. 1 discovery well on the basis of a four-hour production test.

Oil came from 40 ft. of porous zone in the D2 formation. The well was plugged back to the D2 zone after failing to find commercial production in the underlying D3 formation.

* * *

Recently formed, the Cardiff Edmonton Oil Syndicate plans to drill an Imperial Oil farmout about 4½ miles southwest of the Excelsior No. 1 well. The farmout covers 5,600 acres in a solid block. Syndicate will put up the cost of a first well and if production is obtained, Imperial will receive 50% and will also receive a 50% stake in further development of the acreage block. The initial well, Cardiff-Giant No. 1 well, is located about 13 miles north and slightly west of Edmonton.

Crusader Petroleums is reported to have a substantial interest in the syndicate.

* * *

More Redwater Wells

Canadian Gulf Oil has completed two more wells in the Redwater field to bring its producers in this field to 33.

After acid treatment, Gulf Bigoray No. 4 rated an initial potential of 919 bbl. daily while Gulf Bigoray No. 5 rated a potential of 1,347 bbl. daily. Both wells were treated with 2,000 gallons of acid.

In the Leduc area, Imperial Oil farmouts continue to provide successful wells for independents.

Pan Western Oils recently successfully completed a D2 producer in the southwest part of the field on a 160-acre Imperial Oil farmout. Three further wells are planned on the same quarter section.

Ross Petroleums of Edmonton has found commercial production in the D3 zone at its No. 2 well on another Imperial Oil Leduc farmout. Well bottomed at 5,220 ft. It is believed that the well has about 31 ft. of pay zone on the basis of experience elsewhere.

* * *

95 Rigs Working

Ninety-five drilling rigs are currently operating in Alberta with another 10 scheduled to move to new exploratory and field development wells within the next few days. This will give the province an all-time high of 105 drilling rigs at work.

Forty-one crews are engaged in the search for oil in virtually wildcat areas while another 54 are engaged in field development and extension test drilling on already proven or semi-proven oil land.

The central plains area is the greatest focal point of well drilling activity. In this region, 18 wells are drilling which can be classed as wildcats. In the southern sector there are 15 exploratory wells in progress. More wells are starting in each of these areas.

Out of the 54 rigs drilling out proven and semi-proven well sites, 29 are at work in the Redwater field. Another 20 are in the Leduc-Woodbend area and at Golden Spike. Two are in the Stettler region, two at Turner Valley and one at Pincher Creek.

Three exploratory tests are now under way in British Columbia while wildcat drilling is proceeding in two areas of Saskatchewan.

* * *

Home & Anglo

At Woodbend, Home Oil Co.-Anglo Canadian Oil-Calgary & Edmonton have completed their 11th D3 producer in a program of highly successful drilling in this area.

In the Leduc area, Calmar West Oils has placed its third successful D2 zone completion on flow in the southwest part of the field.

* * *

Two recent failures were the Whitemud Syndicate well in the Whitemud area and Royalite Oil Co., Consort Well.

DOME MINES has declared a regular quarterly dividend of 17½ cents a share and an extra of 2½ cents a share, both payable Jan. 30, 1950, to shareholders of record Dec. 30.

DIVIDEND NOTICES

DIVIDEND NOTICE

T. H. ESTABROOKS CO. Limited

"Red Rose Tea and Red Rose Coffee"

Notice is hereby given that the quarterly dividend (26 cents per share) on the 4.16% Cumulative Redeemable Sinking Fund Preferred Shares (par value $25.00 per share) of the Company has been declared payable January 15, 1950, to shareholders of record at the close of business December 16, 1949.

By Order of the Board.

J. B. BRYDON, C. A.,
Secretary-Treasurer.

Saint John, N.B.,
2nd December, 1949.

Empire Brass Mfg. Co. Limited

CLASS "A" SHARES
Dividend No. 12

Notice is hereby given that the regular quarterly dividend of twenty-five cents (.25c) per share has been declared for the three month period ending January 14th, 1950, on the Class "A" Shares payable on January 14th, 1950, to Shareholders of record at close of business December 31st, 1949.

By Order of The Board.

S. C. COSSAR,
Secretary-Treasurer.

Dated at London,
November 30th, 1949.

SHIRRIFF'S LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of ten cents (10c) per share has been declared on the outstanding Class B shares of the Company, payable on the 29th day of December, 1949, to shareholders of record on the 12th day of December, 1949.

By Order of the Board—

J. G. McKNIGHT
Secretary.

Dated at Toronto
December 1st, 1949.

BRALORNE MINES LIMITED

(Non-Personal Liability)

DIVIDEND NO. 51

NOTICE is hereby given that an Interim Dividend of 10 cents per share has been declared on the paid-up capital stock of the Company, payable on the 14th day of January, 1950, to shareholders of record as of December 22nd, 1949.

By Order of the Board.

RONALD H. GRACE,
Secretary-Treasurer

Vancouver, B.C.
December 1st, 1949

NOTICES

THE DOMINION BANK

Notice of Annual General Meeting

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, King & Yonge Streets, Toronto, on Wednesday, the fourteenth day of December next, at 2.30 o'clock p.m.

By Order of the Board.

A. C. ASHFORTH,
General Manager.

Toronto, 13th October, 1949.

THE CANADIAN BANK OF COMMERCE

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, number twenty-five King Street West, Toronto, on Tuesday, the thirteenth day of December next.

The chair will be taken at eleven o'clock a.m., Eastern Standard time.

By Order of the Board.

JAMES STEWART
General Manager

Toronto, 7th October 1949.

Anglo-Canadian Oil Company LIMITED

NOTICE OF SPECIAL GENERAL MEETING

TAKE NOTICE that a Special General Meeting of the shareholders of Anglo-Canadian Oil Company, Limited will be held at the Palliser Hotel, in the City of Calgary, Alberta, on Wednesday, the 21st day of December, 1949, at the hour of 10:30 o'clock in the forenoon, for the purpose, if deemed advisable, of increasing the authorized capital of the Company from 3,000,000 to 5,000,000 shares without nominal or par value.

DATED at Calgary, Alberta, this 25th day of November, 1949.

By order of the Board of Directors.

J. W. DICK,
Secretary.

NOTICES

Annual Meeting

The Annual General Meeting of the Shareholders of the bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 12th day of January, 1950, at 11 o'clock, a.m.

By Order of the Board.

T. H. ATKINSON, General Manager.

Montreal, Que.

December 1, 1949.

THE ROYAL BANK OF CANADA

Mountain Test Soon to Face CPR Diesels

MONTREAL (Staff) — Three new Diesel passenger locomotives have been turned over to CPR to complete Dieselization of the company's 171-mile line between Montreal and Wells River, Vt., on the Montreal-Boston run, it is announced.

The new locomotives, made at General Motors' La Grange, Ill., plant, are 2,250 hp units and can operate singly or in pairs. Next CPR operation scheduled to be Dieselized is the 517-mile Schreiber division north of Lake Superior.

Company is also putting a three-unit 4,500 hp GM Diesel demonstrator locomotive through tests on various parts of its railway system. On loan from GM for three months, the Diesel will operate for six weeks on the Schreiber division freight service and do occasional passenger duty trips between Fort William and Toronto. Later it will move to western Canada for mountain tests between Calgary, Revelstoke and Vancouver.

COMPANY REPORTS

TORONTO ELEVATORS LTD. net profit for the year ended July 31, 1949, was up narrowly at $394,280 ($388,009). Both elevators at Sarnia and Toronto handled sufficient grain to show normal earnings. Conditions point to handling of a satisfactory volume for the coming year, it is said. Sales volume of the grain merchandising department was well maintained.

Several new branches were added during the year to those already operating at country points in Ontario. With the purchase of all outstanding shares of Hogg & Lytle Ltd. on July 14, 1949, seven operating points were acquired. This acquisition had no effect on the year's earnings because of the short period. A good market continued for the feed department products. Output has been maintained, although prices of manufactured feeds were increased due to higher costs of some raw materials.

Operations of the oil seed crushing plant and oil refinery have been reasonably well maintained. Company has been successful in disposing of its products in both home and foreign markets.

Double track car loading and unloading facilities were practically completed. The new office building was well along in earlier stages of its construction at year end.

CONS. INCOME ACCOUNT

Years Ended July 31:	1949	1948
Net earnings	$983,317	$990,616
Less: Deprec.	262,355	224,411
Interest	95,625	97,875
Income tax res.	231,057	280,321
Net profit	394,280	388,009
Less: Common divds.	148,385	147,491
Surplus for year	245,895	240,518
Times Bond Interest Earned:		
Before deprec.	10.28	10.12
After deprec.	7.54	7.83
Earnings per Share and Dividend Record:		
Common	$1.59	$1.58
Paid	0.60	0.50+0.10

CONDENSED CONS. BALANCE SHEET

As at July 31:	1949	1948
Cash	$323,071	$665,843
Accts., etc., rec.	1,554,264	1,300,965
Cons. sales for fut. del.	1,715,812	1,862,264
Rec. fr. Trustee	318,759	160,796
Life ins. c.s.v.	74,230	67,870
Inventories	11,764,727	2,490,535
Total curr. assets	15,750,863	6,548,273
Funds with trustee	......	157,963
Misc. assets*	270,744	355,979
Fixed assets*	3,615,597	3,190,113
Total assets	19,637,204	10,252,328
Bank loans	11,571,572	2,262,000
Accts. & tax. pay.	1,962,208	2,072,331
Bonds due	75,000	75,000
Total curr. liab.	13,608,780	4,409,331
Funded debt	2,700,000	2,775,000
Capital stock	1,323,262	1,308,730
Surplus	2,005,162	1,759,267
*After depr. of	2,687,532	2,309,549
•Incl. ref. EPT	110,026	182,507
Working capital	2,142,083	2,138,942

Nothing Very New At Joliet-Quebec

W. B. Maxwell, president of Joliet-Quebec Mines stated early this week that he knew of nothing particularly new to account for action in the company's shares. He was leaving for the property Tuesday to look over the situation there.

It is believed that the Noranda drive is just at the point of entering Joliet ground on its way to tapping the Joliet ore body. Joliet has been doing no surface diamond drilling on its own but it is understood that Noranda recently started surface drilling on its leased portion of Joliet ground which is 1,000 ft. long by 1,000 ft. wide and 1,200 ft. deep.

Further geological studies have been made by Joliet and additional surface drilling may be done at a later date. But no decision on this point has yet been made. It is not yet known whether or not drilling can be completed from the long Noranda drive through Joliet before the drive is fully completed.

Grain Prices

Chicago Futures

Week to Dec. 5, 1949

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Dec. 5
		Wheat—			
2.22¼	1.81	Dec.	2.22¼	2.16⅞	2.22¼
2.21⅞	1.86	Mar.	2.21⅞	2.17¼	2.21⅞
2.16¼	1.19¼	May	2.16¼	2.13¼	2.16¼
1.99	1.84	July	1.99	1.94⅞	1.98⅞
1.98¼	1.97½	Sept.	1.98¼	1.97½	1.98¼
		Corn—			
1.36¼	1.00¼	Dec.	1.31	1.28⅞	1.30¼
1.32¼	1.13¼	Mar.	1.32¼	1.30¼	1.32¼
1.32⅞	1.15⅞	May	1.32⅞	1.29⅞	1.32¼
1.31⅞	1.19	July	1.31⅞	1.28¼	1.31⅞
1.28⅞	1.26¼	Sept.	1.28⅞	1.26¼	1.27¼
		Oats—			
.78¼	.54¼	Dec.	.78¼	.76⅞	.77¼
.76	.62⅞	Mar.	.76	.74¼	.75¼
.73⅞	.59⅞	May	.73¼	.71⅞	.73¼
.67¼	.56¼	July	.67¼	.65	.67
.66⅞	.65¼	Sept.	.66⅞	.65¼	.66⅞
		Rye—			
1.63	1.33¼	Dec.	1.44⅞	1.34¼	1.44⅞
1.59¼	1.42	May	1.51¼	1.42	1.51¼
1.52⅞	1.39	July	1.52⅞	1.43¼	1.52⅞
		Soybeans—			
		Dec.	2.36	2.27⅞	2.35⅞
		Mar.	2.37½	2.30	2.37¼
		May	2.35	2.27¼	2.35
		July	2.31⅞	2.24¼	2.31¼

Chicago Cash

	For Week Dec. 5 High	Low	Prev. Week High	Low
Corn—				
2 Yel.	1.35	1.31¼	1.33¼	1.26
Oats—				
1 H. Wh	.81	.78	.79¼	.77

Winnipeg Futures

Week to Dec. 5, 1949

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Dec. 5
		Oats—			
.84⅞	.69⅞	Dec.	.84⅞	.82¼	.83⅞
.83¼	.69⅞	May	.83¼	.81¼	.82⅞
.80	.76¼	July	.80	.78¼	.80
		Barley—			
1.48⅞	1.10⅞	Dec.	1.43¼	1.40⅞	1.41¼
1.45¼	1.09¼	May	1.43⅞	1.40	1.40¼
1.41¼	1.27¼	July	1.34¼	1.32⅞	1.34⅞
		Rye—			
1.58⅞	1.30	Dec.	1.58	1.49⅞	1.57⅞
1.64	1.32¼	May	1.64	1.54¼	1.63⅞
1.60¼	1.42¼	July	1.60⅞	1.50⅞	1.60¼
		Flax—			
3.80	3.30	Dec.	3.80	3.79¼	3.79⅞
3.78	2.62	May	3.78	3.74⅞	3.76¼
3.70	3.63	July	3.70	3.70	3.70

Winnipeg Cash

	For Week Dec. 5 High	Low	Prev. Week High	Low
Oats—				
2 C W.	.86¼	.84⅞	.85¼	.83¼
3 C W.	.82¼	.81⅞	.81⅞	.80¼
Barley—				
1 Feed	1.39⅞	1.37¼	1.40¼	1.36¼
2 Feed	1.37⅞	1.33⅞	1.38	1.34⅞
1 Malt	1.61⅞	1.59¼	1.61⅞	1.57⅞
Rye—				
2 C. W.	1.57⅞	1.50¼	1.51⅞	1.45¼
Flax—				
1 C. W.	3.80	3.79¼	3.79⅞	3.74⅞

$8 Distribution May Be Last For Porto Rico Shareholders

MONTREAL (Staff) — Preferred and common shareholders of Porto Rico Power Co. will receive a further distribution of around $8 per share shortly, The Financial Post understands. A total of $170 per share has been paid on the 10,000 preferred and 30,000 common shares so far.

Whether this will be the final distribution is not known as yet, because there are still some claims outstanding against the company in Porto Rico. Some of these are going through the courts now and others are still pending. Another unknown factor is how much liquidating expenses will amount to by the time all the company's affairs are settled. At the moment, it looks as though it will be some months before everything can be cleaned up, the Post is told.

Company has been in liquidation since 1944, when it sold the stock and securities of its operating subsidiary, Porto Rico Railway, Light & Power Co., to the Puerto Rico Water Resources Authority. International Power Co. owned approximately 98% of the common stock. By a court judgment, both preferred and common shareholders are entitled to share in the surplus in the hands of the liquidator, Montreal Trust Co.

The payment now about to be made may take place before the end of this month, The Post understands.

N. M. PATERSON & COMPANY LTD.
Own and Operate
Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 12,000,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity, 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.
609 Grain Exchange, Winnipeg

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COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
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Western Grain Co. Ltd.
WINNIPEG — CANADA
COUNTRY ELEVATORS — MAN., SASK. & ALTA.
TERMINAL ELEVATOR — FT. WILLIAM, ONT.
GRINDING PLANTS and FEED MILLS
GRAIN SHIPPERS - EXPORTERS - GRAIN FUTURES

HALLET & CAREY LIMITED
GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES
Owners and Operators
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Branch Offices—Fort William, Ont., Montreal, Que.
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AND
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Country Elevators located in all Prairie Provinces, and Terminals at Fort William, Port Arthur and Vancouver.
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We invite your inquiries regarding feed and seed grain.

Queenston Arranges Big New Financing First of the Dormant Golds to Reopen

A major landmark in the revival of interest in financing new gold projects is the new financing approved for Queenston Gold Mines. This was passed by the Toronto Stock Exchange on Tuesday of this week.

Queenston has been conceded to be one of the better developed gold properties which was closed down to await better financing and operating conditions. Before it was closed, the management had expressed the view that installation of a 500-ton mill was warranted.

The new financing as approved calls for an increase in Queenston's authorized capital from 3.5 million to 4.5 million shares. A special meeting of shareholders will be called immediately to secure this approval.

Underwriting at 80c

Under the financing as proposed, a firm underwriting is proposed on 222,918 shares at 80 cents a share, which will bring issued capital to three million shares. Options are provided on 500,000 shares at 90 cents a share (250,000 in February and 250,000 in May); 400,000 shares at $1 a share, (200,000 in August, 1950 and 200,000 due in October, 1950); and 200,000 shares are optioned at $1.25 a share due in December, 1950.

Exercise of all these options will make a grand total of $1,275,333 available for the company's new program which is now being formulated.

At mid-week, the company was busily at work laying out new operating plans with reopening expected to be accomplished early in the new year.

500-Ton Objective

As a mill of 500 tons capacity had been proposed when conditions became more favorable, it is presumed that the objective of a new development program will be to explore and prove up ore bodies so that such a mill installation can be sustained.

Considerable progress had been achieved toward this objective before the property was placed on the inactive list back in May, 1948. A 4-compartment production shaft had been completed to a depth of 722 ft. on the north contact before work was suspended in 1948. This opening will probably be used to expedite new plans. Stations have been cut in this shaft at the 260, 400, 550 and 700-ft. horizons.

Increase in the price of gold from $35 to $38.50 an ounce was important to Queenston with its medium to low grade but large tonnage or occurrences.

The main ore body adjacent to No. 2 shaft on the south zone showed widths ranging up to 80 ft. which it is thought should make for low cost mining. Drilling east end of the main ore body showed persistence to depth of 60 ft. above the 600-ft. horizon. A second large ore body was suggested by drilling west of the 600-ft. level crosscut.

Recent work which has showed large tonnage ore conditions at the adjoining Upper Canada property suggest that Queenston may have some further ore surprises when work gets going again.

Upper Canada continues to manage the operation and is the largest individual shareholder owning 983,858 shares or slightly over a third of the shares at present outstanding.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

NORTHERN CANADA MINES realized a profit of $23,101 in the year ended Sept. 30, 1949, equal to 2.3 cents a share as against 3.3 cents a share the preceding year. Breakup value, including investments at market, was equal to $1.08 a share at Sept. 30, 1949, four cents a share higher than a year previous.

Exploration was carried out in Manitoba, Ontario and Quebec during the year either directly or in association with Pioneer Gold Mines and Kirkland Lake Gold Mining Co. (in which Northern Canada is a substantial shareholder).

Further work was done on the Tern Lake properties in the Snow Lake area, with 35% of finances supplied by Northern Canada. No work was done on Koona Lake Mines and other Snow Lake holdings but leases have been acquired on some groups. Two other Manitoba options were dropped.

Diamond drilling a gold discovery in Jutten twp., Ont., showed lower values in deeper holes than secured in shallow holes. But shallow values averaged 1.08 oz. over 1.7 ft. and still deeper drilling is felt warranted.

It is stated to be likely that work will be resumed at East Amphi Gold Mines due to results secured and information at the neighboring Barnat property. A 9.5% interest is held in Calmor Mines.

INCOME ACCOUNT

Years Ended Sept. 30:	1949	1948
Net inc. from int. & dividends	$34,085	$43,751
Less: Expenses	10,984	10,744
Surplus for period	23,101	33,007
Earned per Share	$0.023	$0.033
None paid.		
Net Assets per Sh.*	$1.08	$1.04

*Consisting of current assets, plus investments at market value, less current liabs.

CONDENSED BALANCE SHEET

As at Sept. 30:	1949	1948
Cash	$35,990	$29,461
Accts. & notes rec.	1,508	1,681
Total curr. assets	37,498	31,142
Advs. to employees	6,390	6,690
Invest. less res.*	848,600	845,266
Claims & props.	141,575	133,100
Furn. & equip.	646	1,010
Total assets	1,034,709	1,017,217
Total curr. liab.	110	249
Explor. reserve	70,000	70,000
Capital stock	500,000	500,000
Distrib. surplus	54,014	59,484
Earned surplus	410,585	387,484
*Market value	1,041,206	1,010,510
Working capital‡	37,388	30,893

‡Not including investments.

CENTRAL LEDUC OILS realized a profit of $324,085 before depreciation and amortization in the year ended July 31, 1949, but reported no net income for the period after reserving $8,744 for depreciation and $315,341 for amortization of well investment. Well investment account stood at $16,490 at the end of the year.

The company has two cretaceous oil wells at Leduc and is interested in two gas wells, one in the Leduc area, one in the Lac La Biche area.

A first well is to be drilled shortly on a 500,000-acre block of Benedum Trees in Northern Alberta in which Central Leduc has an interest.

Interests have been taken since the close of the fiscal year in numerous western oil ventures. Interests are held in acreage in the Queen Charlotte Islands being tested by Royalite and in many other fields, including Golden Spike, Excelsior and Saskatchewan.

INCOME ACCOUNT

Years Ended July 31:	1949	1948
Prod'n rev.	$320,218	$85,208
Less: Prod'n exp.	49,297	9,987
Royalties	39,189	10,239
Add: Roy. rev. (net)	107,644	12,407
Other rev.	14,527	761
Total net rev.	353,903	78,148
Less: Admin. & gen. exp.	29,818	21,168
Depreciation	8,743	1,933
Amortization	315,341	55,047
Net profit	nil	nil

CONDENSED BALANCE SHEET

As at July 31:	1949	1948
Cash	$20,665	$37,947
Accts. rec.	52,540	22,519
Inventories	26,921	12,384
Total curr. assets	100,126	72,850
Misc. assets	6,632	10,731
Wells invest.†	16,490	91,550
Lands & leases	495,567	469,467
Plant & equip.*	83,903	22,258
Total assets	702,718	666,856
Total curr. liabs.	24,379	6,392
Def. credit	......	7,125
Adv. from Del Rio Producers Ltd.	25,000	......
Capital stock	714,002	714,002
Capital deficit	60,663	60,663
†After amortiz. of	370,387	55,047
*After depr. of	10,677	1,933
Working capital	75,747	66,458

NEW CALUMET MINES realized a profit of $721,957 equal to 20 cents a share in the year ended Sept. 30, 1949, as compared with 26 cents a share the preceding year. To offset lower metal prices, steps were taken to increase capacity and in September a daily average of 700 tons of ore was milled as against 582 tons daily for the full 1949 fiscal year.

All long-term indebtedness was liquidated during the year and 20 cents a share in dividends was paid by Sept. 30, 1949.

Ore reserves show a reduction but President M. A. Thomson states that it is hoped that development work now under way will add to reserves. There was no change in smelter contracts during the year and no outside exploration of any kind was carried on.

No. 3 subshaft was completed during the first part of the year from 600 to 1,500 ft. and No. 2 shaft was deepened 100 ft. to the 600-ft. level. Lateral work was concentrated on opening up the Longstreet ore body on five of six new levels of No. 3 subshaft, leaving only the 1,500-ft. level to be extended. Some fair ore was outlined in the Ste. Anne shaft area.

INCOME ACCOUNT

Years Ended Sept. 30:	1949	1948
Production	$4,100,567	$3,051,763
Less: Mktg. chgs.	433,023	289,815
Oper. expenses	2,634,054	1,512,382
Oper. profit	1,033,490	1,249,360
Add: Interest	9,711	4,744
Asset sale	......	16,311
Less: Deprec.	89,766	61,324
Incorp. exp. w/o	......	2,616
Prov. for taxes	231,478	297,111
Net profit	721,957	909,370
Less: Divds.	699,981	......
Surplus for year	21,976	909,370
Earnings per Share and Dividend Record:		
Common	$0.21	$0.260
Paid	0.20	......

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash & metal rec.	$1,023,868	$1,218,403
Accts. rec.	6,161	6,475
Supplies	195,436	189,939
Total curr. assets	1,225,465	1,414,817
Invests.	19,741	17,115
Prep. expense	21,170	14,271
Mining claims	512,913	512,764
Bldgs., mach., etc.*	323,451	237,787
Total assets	2,102,740	2,196,754
Accts., etc., pay.	99,103	106,192
Taxes pay.	106,100	215,000
Total curr. liabs.	205,203	321,192
Capital stock	510,487	510,487
Surplus	1,387,050	1,365,075
*After depr. of	1,142,486	1,052,721
Working capital	1,020,262	1,093,625

OPERATING STATISTICS

	1949	1948
Tons milled	212,441	193,647
Average recov.	$19.30	$15.76
Ore reserves, tons	888,942	986,270
Grade: Zinc, %	8.20	8.80
Lead, %	2.80	2.30
Silver, oz.	5.04	5.36
Gold, oz.	0.033	0.35

ELDONA GOLD MINES has received payment for 25,000 shares at 40c a share, part of Dec. 14 underwriting of 75,000 shares under agreement with Stuyvesant-North Ltd. Issued capital is 4,650,000 shares, leaving 350,000 in treasury.

HIGHLAND-BELL has declared a dividend of 5c a share payable Jan. 5, 1950, to shareholders of record Dec. 17.

Porc. Reef in Ore On 2 New Levels

Drifts which are being extended westward to explore the new ore zone have entered ore on both the 200 and 500-ft. levels of Porcupine Reef Gold Mines, President Bert W. Lang reports.

The high assays secured in these drifts indicate a grade similar to that secured in the length of 567 ft. on the 350-ft. level which on muck samples averaged 0.53 oz. or $20.40 uncut and 0.32 or $12.32 cut grade over drift width of 8 ft., Mr. Lang further reports.

United Keno Back To Best Mill Rate

Milling operations at United Keno Mines have been worked back to the best rate achieved before the fire, The Financial Post is informed. This would indicate a milling rate of close to 125 tons in the new 250-ton unit which replaced the smaller unit destroyed by fire.

Plans are to work the mill up to capacity as rapidly as possible.

Management presumes that the mill is handling mine average grade ore and a substantial output is thus indicated. An extraction of 90% was secured in the first week of resumed operations, indicating that the new mill may be more efficient than the old one.

It is believed that a favorable decision by the Federal Government to construct a hydro-electric power plant in the area would be of considerable consequence in the ultimate expansion of United Keno mining activities.

Due to the work of installing the new mill, underground exploration has not yet commenced of the fine new surface discovery made about seven miles from the main mine.

DONALDA MINES has received payment for an additional 25,000 shares at 50 cents a share, part of Dec. 14 underwriting under agreement with Stuyvesant-North Ltd. Issued capital is 3,675,000 shares, leaving 325,000 in treasury.

RENO GOLD MINES recovered 117 oz. of gold at its Canadian Creek property, Yukon Territory, in the current year to Sept. 1, according to a report issued by the Department of Mines & Resources.

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Toronto's old Adelaide Street rink blazed with light. Fresh sawdust littered the smooth floor. A crowd of sports mingled round the ring while the Lieutenant Governor and his party watched from their box. It was a February night in 1885 . . . and the century's biggest event in Canadian boxing. The world-famous Champion of England, Charlie Mitchell, was to meet John F. Scholes, the local challenger.

In the opening rounds, Scholes smashed Mitchell with a surprise barrage of punches. Wary, Mitchell backed off. The haze of cigar smoke thickened as the rounds went on. Suddenly Mitchell came off the ropes with a hard blow. Scholes went down, only for a moment . . . but the fight had been decided. Mitchell won the bout . . . 35-26.

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The Canadian Amateur Boxing Championships were held this year in Port Arthur, Ont., to determine the boxers who would represent Canada at the British Empire Games in New Zealand next February.

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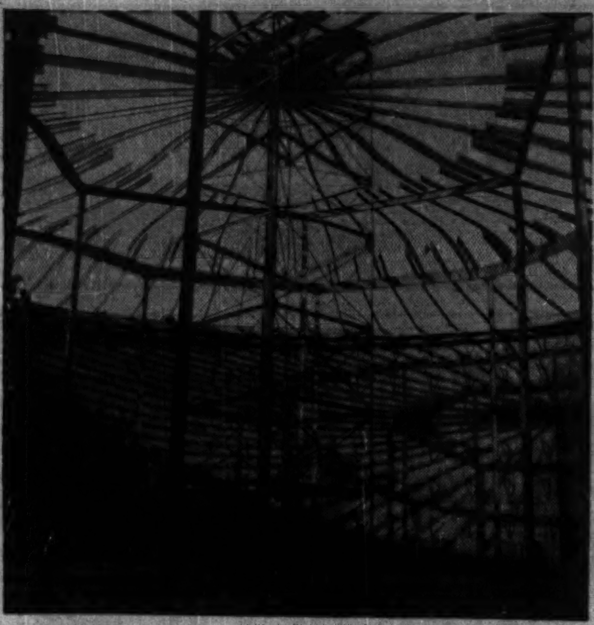

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A distinct possibility exists that gold mines have been increasing employment as a result of the higher price now existing for gold. The 43 Ontario gold mines reported an average of 13,565 men employed during October, this number exceeding any previous record since these figures were first collected.

• • •

New Mines Department

Under three acts recently brought down in the House of Commons, the Department of Mines and Resources is being divided into three new entities. It is no longer a "catch-all" for unrelated activities.

A new "Department of Mines and Technical Surveys" will take on mining responsibilities, making field investigations, compiling statistics, completing mechanical, chemical, and metallurgical researches. In addition, the new department will have control of any astronomical observatories maintained for the Government of Canada.

A "Department of Resources and Development" will now assume responsibilities for forest resources, unassigned irrigation projects, national parks, tourist information, housing and the trans-Canada highway. The North West Territories, and Yukon, also are brought under this department.

Immigration now leaves the mining field, comes under a new "Department of Citizenship and Immigration."

• • •

Barnat Getting Better

Interesting ore news is being secured by Barnat Mines, in which Sladen Malartic is interested, with increased production reported a strong possibility about next February or March.

Raising in the high grade ore body east of the National shaft at the 350-ft. level has been giving some fine ore results. The raise is up 110 ft. with 470 tons of mucks from car samples reported averaging 0.9 oz. gold per ton.

Work at the 525-ft. level will soon be under way to open up the downward extension of this ore shoot.

At the 725-ft. horizon, ring drilling is stated to be making good progress in outlining ore structures, while the raise at the 1,250-ft. level is reported to have come into ore again after passing through a short barren section.

No Mine Engineer Can Make Report If Co. Officer

A mining engineer may no longer make a report on a mining property "to assist in the promotion of a sale of stock" where he is an officer or a director of the company, the Ontario Securities Commission has decided.

This, it is felt, will be invaluable in securing disinterested reports for filing with prospectuses under terms of the 1947 Ontario Securities Act.

In announcing its decision, OSC pointed out:

"It has long been established that the auditor of a company cannot be an officer or director of the company on which he is reporting. It is considered that the same principle should apply to reports on properties and this is concurred in by the Association of Professional Engineers of the Province of Ontario."

National Pete. Starts Driller

Test Madison at Malmberg Dome in Southern Alberta

After setting surface pipe and drilling out cement, National Petroleum Corp. has its well on the Malmberg dome in the Spring Coulee area of southern Alberta now drilling toward its objective, the Madison limestone, officials report.

Located about 15 miles north of the U. S. border, the well is one half mile east of the Cord Spring Coulee well. From seismic information it is believed to be about 175 ft. higher on structure than the Cord well which found an oil zone from 5,990 to 6,080 ft., but which turned out to be a mechanical failure.

Drilling of the well is on a partnership basis with a newly formed syndicate which has contributed $65,000. The syndicate and National share a 1,900-acre block out of 8,800 acres held by National.

Twelve miles to the south, Union has joined with National Petroleum Corp. for a thorough test of the Del Bonita structure. The companies have completed drilling the first of a two-well program on this structure. This well went to 5,200 ft. Electrolog and cores show three sections above 5,200 ft. Total porosity in these sections is 37 ft. Each section will be tested separately by jet gun perforation and acidization. Results on the lowest zone are expected shortly.

Officials said recently that the lime in these sections appeared tight but pointed out that most Turner Valley wells are tight at first and occasionally will not produce prior to acidization.

The Malmberg Dome well is 12 miles northwest of the Del Bonita test.

Over and above the two Madison wells now in progress and a third planned, National on its own, intends a Devonian test of the area. This horizon has never been tested in the Del Bonita-Malmberg area, it is stated.

MARBENOR MALARTIC MINES annual meeting was told by President E. H. Benson that one of the larger Canadian mining companies has asked for and been given permission to examine its property. Another group has expressed willingness to negotiate a financing agreement aimed at resuming work.

Lake Lingman Outlines Plans

Take Cement & Plywood Over Winter Road This Winter to Ready Mill

Since Lake Lingman Gold Mining Co. acquired the mill, plant, machinery, hydro-electric power plant and 40 miles of power transmission line from God's Lake Gold Mines, substantial progress has been made in preparing the Lingman property for production, President C. Glenn Hunter informs shareholders.

So far as practicable or necessary, buildings have been erected on the Lake Lingman property and some machinery and equipment has been installed, he reports.

Necessary cement and plywood for mill building construction is expected to be taken in over the winter route which is generally in good condition from the latter part of January to the end of March. Right-of-way for the transmission line from the power plant at Kanuchuan Falls 87 miles to Lake Lingman has been partly surveyed and erection of a power line is expected in the early part of 1950. When this power line has been completed, an ample supply of low-cost electric power will be provided.

Out of 3,300 ft. of drifting, 1,040 ft. or one third of the total was, in ore. Average indicated grade is stated to be about 0.41 oz. gold per ton.

M. G. Smerchanski, consulting geologist, reports that mill equipment has been cleaned up and painted and had cement and plywood been available over the winter road last season, mill foundation and mill construction could already have been undertaken.

Balance sheet as at March 31, 1949, shows $91,937 of current assets exclusive of $35,115 of mine stores against current liabilities of $27,730 including a $12,000 bank loan. There were 2,050,000 shares outstanding of an authorized capital of three million shares.

VIOLAMAC MINES reports that its subsidiary, Violamac Mines (B.C.), had gross production of $39,772 from 197 dry tons of ore shipped during October. Metal production figures for the month are: lead, 196,634 lb.; zinc, 52,724 lb.; silver, 20,227 oz.; and gold, 10 oz. This production yielded a profit, before provincial taxes and depletion of approximately $22,000, President V. R. MacMillan reports.

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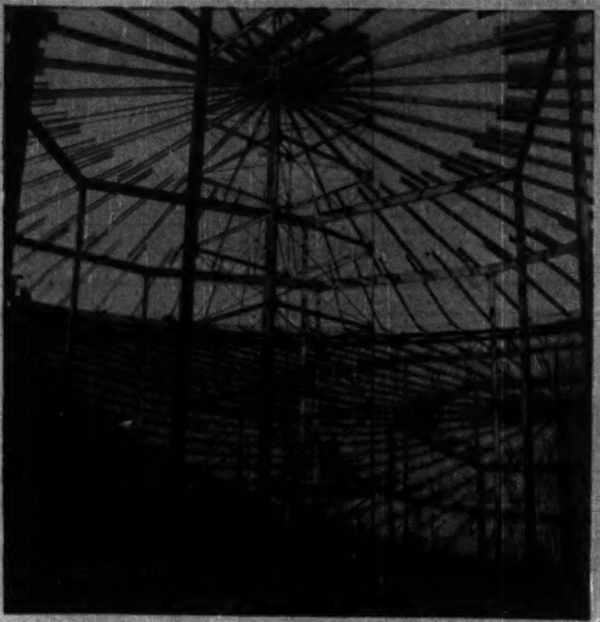

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New Mines Department

Under three acts recently brought down in the House of Commons, the Department of Mines and Resources is being divided into three new entities. It is no longer a "catch-all" for unrelated activities.

A new "Department of Mines and Technical Surveys" will take on mining responsibilities, making field investigations, compiling statistics, completing mechanical, chemical, and metallurgical researches. In addition, the new department will have control of any astronomical observatories maintained for the Government of Canada.

A "Department of Resources and Development" will now assume responsibilities for forest resources, unassigned irrigation projects, national parks, tourist information, housing and the trans-Canada highway. The North West Territories, and Yukon, also are brought under this department.

Immigration now leaves the mining field, comes under a new "Department of Citizenship and Immigration."

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Barnat Getting Better

Interesting ore news is being secured by Barnat Mines, in which Sladen Malartic is interested, with increased production reported a strong possibility about next February or March.

Raising in the high grade ore body east of the National shaft at the 350-ft. level has been giving some fine ore results. The raise is up 110 ft. with 470 tons of mucks from car samples reported averaging 0.9 oz. gold per ton.

Work at the 525-ft. level will soon be under way to open up the downward extension of this ore shoot.

At the 725-ft. horizon, ring drilling is stated to be making good progress in outlining ore structures, while the raise at the 1,250-ft. level is reported to have come into ore again after passing through a short barren section.

Lake Lingman Outlines Plans

Take Cement & Plywood Over Winter Road This Winter to Ready Mill

Since Lake Lingman Gold Mining Co. acquired the mill, plant, machinery, hydro-electric power plant and 40 miles of power transmission line from God's Lake Gold Mines, substantial progress has been made in preparing the Lingman property for production, President C. Glenn Hunter informs shareholders.

So far as practicable or necessary, buildings have been erected on the Lake Lingman property and some machinery and equipment has been installed, he reports.

Necessary cement and plywood for mill building construction is expected to be taken in over the winter route which is generally in good condition from the latter part of January to the end of March. Right-of-way for the transmission line from the power plant at Kanuchuan Falls 87 miles to Lake Lingman has been partly surveyed and erection of a power line is expected in the early part of 1950. When this power line has been completed, an ample supply of low-cost electric power will be provided.

Out of 3,300 ft. of drifting, 1,040 ft. or one third of the total was, in ore. Average indicated grade is stated to be about 0.41 oz. gold per ton.

M. G. Smerchanski, consulting geologist, reports that mill equipment has been cleaned up and painted and had cement and plywood been available over the winter road last season, mill foundation and mill construction could already have been undertaken.

Balance sheet as at March 31, 1949, shows $91,937 of current assets exclusive of $35,115 of mine stores against current liabilities of $27,730 including a $12,000 bank loan. There were 2,050,000 shares outstanding of an authorized capital of three million shares.

VIOLAMAC MINES reports that its subsidiary, Violamac Mines (B.C.), had gross production of $39,772 from 197 dry tons of ore shipped during October. Metal production figures for the month are: lead, 196,634 lb.; zinc, 52,724 lb.; silver, 20,227 oz.; and gold, 10 oz. This production yielded a profit, before provincial taxes and depletion of approximately $22,000, President V. R. MacMillan reports.

No Mine Engineer Can Make Report If Co. Officer

A mining engineer may no longer make a report on a mining property "to assist in the promotion of a sale of stock" where he is an officer or a director of the company, the Ontario Securities Commission has decided.

This, it is felt, will be invaluable in securing disinterested reports for filing with prospectuses under terms of the 1947 Ontario Securities Act.

In announcing its decision, OSC pointed out:

"It has long been established that the auditor of a company cannot be an officer or director of the company on which he is reporting. It is considered that the same principle should apply to reports on properties and this is concurred in by the Association of Professional Engineers of the Province of Ontario."

National Pete. Starts Driller

Test Madison at Malmberg Dome in Southern Alberta

After setting surface pipe and drilling out cement, National Petroleum Corp. has its well on the Malmberg dome in the Spring Coulee area of southern Alberta now drilling toward its objective, the Madison limestone, officials report.

Located about 15 miles north of the U. S. border, the well is one half mile east of the Cord Spring Coulee well. From seismic information it is believed to be about 175 ft. higher on structure than the Cord well which found an oil zone from 5,990 to 6,080 ft., but which turned out to be a mechanical failure.

Drilling of the well is on a partnership basis with a newly formed syndicate which has contributed $65,000. The syndicate and National share a 1,900-acre block out of 8,800 acres held by National.

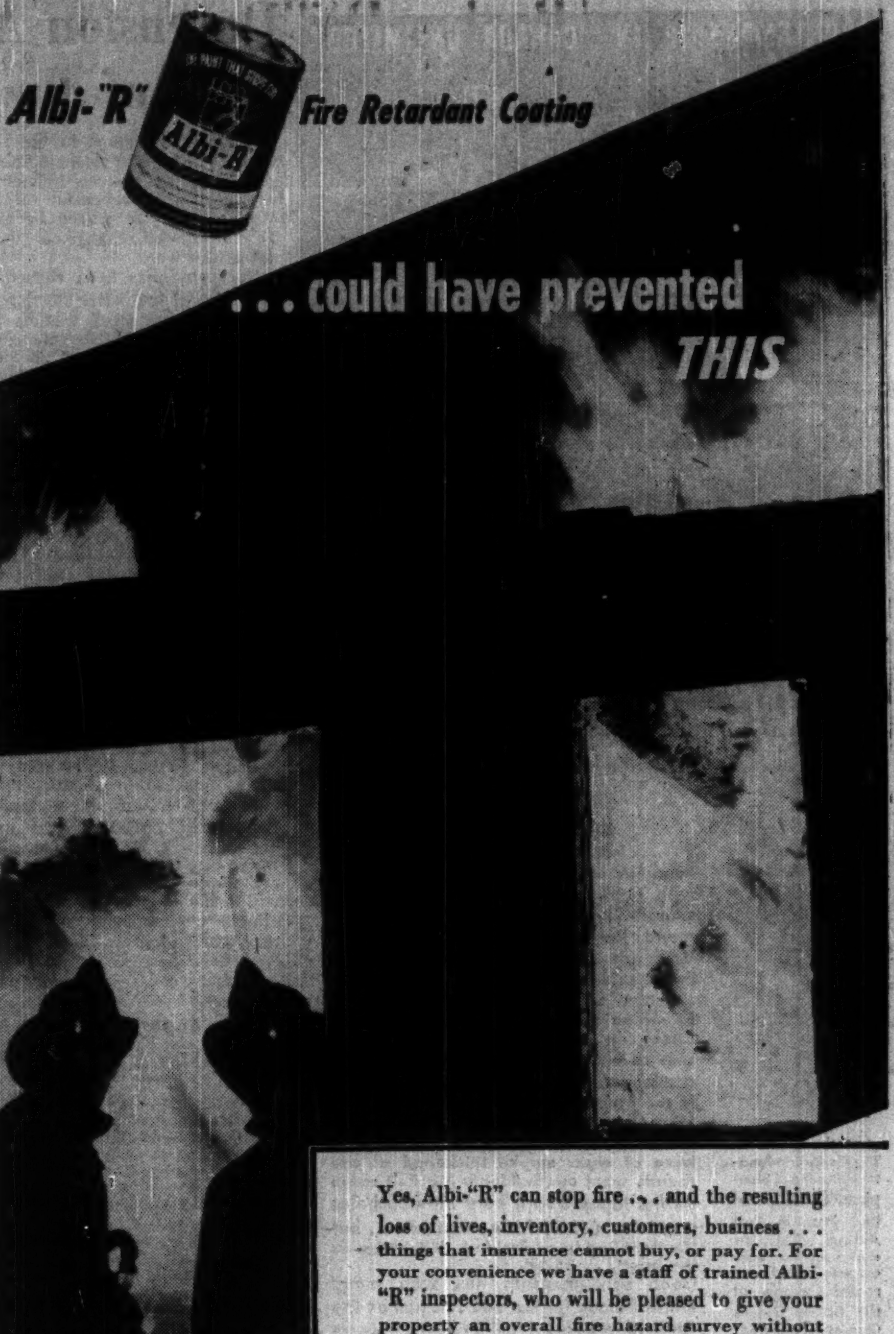
Twelve miles to the south, Union has joined with National Petroleum Corp. for a thorough test of the Del Bonita structure. The companies have completed drilling the first of a two-well program on this structure. This well went to 5,200 ft. Electrolog and cores show three sections above 5,200 ft. Total porosity in these sections is 37 ft. Each section will be tested separately by jet gun perforation and acidization. Results on the lowest zone are expected shortly.

Officials said recently that the lime in these sections appeared tight but pointed out that most Turner Valley wells are tight at first and occasionally will not produce prior to acidization.

The Malmberg Dome well is 12 miles northwest of the Del Bonita test.

Over and above the two Madison wells now in progress and a third planned, National on its own, intends a Devonian test of the area. This horizon has never been tested in the Del Bonita-Malmberg area, it is stated.

MARBENOR MALARTIC MINES annual meeting was told by President E. H. Benson that one of the larger Canadian mining companies has asked for and been given permission to examine its property. Another group has expressed willingness to negotiate a financing agreement aimed at resuming work.



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NEW DICKENSON MINES LIMITED

The Board of Directors of New Dickenson Mines Limited has authorized the release of the new shares in exchange for shares of the Dickenson Red Lake Mines Limited at the rate of 20% on December 4, 1949. A further 20% will be issued on February 4, April 4, June 4, and August 4, 1950.

The Directors further report that the Sterling Trusts Corporation has received payment of the bond interest due December 6. Cheques will go forward to the bond holders on that date.

If you have not done so, kindly forward as soon as possible, your Dickenson Red Lake Mines Limited certificates to the Sterling Trusts Corporation, 372 Bay Street, Toronto.

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Roybar Drilling Sparks Sharp Interest In New Projects in Chibougamau Area

By GORDON M. GRANT

More interest in exploring for new gold mines is being shown in Quebec's Chibougamau area, recently opened up by a new road, than in any other area of the Dominion.

It appears a strong probability that the prospecting activity which has seen close to a thousand claims staked there in the past season will likely expand due to strong ore-making potential indicated by diamond drilling of the new gold property of Roybar Uranium & Gold Mines in the Barry Lake sector.

A large batch of core from Roybar drilling has finally reached Haileybury and while values are by no means uniformly high, initial assays are stated to be strongly suggestive that close drilling will establish an ore body in this section.

Core sent out was well mineralized; gold values in individual holes have been on the impressive side. The ore shoot apparently takes strongly to the east with depth. Westerly holes of which assays are available did not run high but the eastern section is far better than expectations. To the east, one hole, No. 5, gave $9.05 over 20 ft., while No. 7 hole, 100 ft. to the east and the most easterly hole for which assays are available, ran $8.85 over 30 ft., President M. J. Boylen reports. Descriptions of further holes to the east, which are deeper, suggest that the zone continues strongly in this direction. There are also new holes to the west which have yet to be assayed but which are swell mineralized.

Nos. 4 and 6 holes were exploratory efforts and returned only low values. No. 3 hole to the west gave $5.82 over 8.8 ft.; No. 2 was abandoned; No. 1 "up rake" gave 65 ft. of lower values.

Altogether 450 ft. of core was shipped from initial drilling to Bell at Haileybury. Officials expect quite a flow of assays to quickly fill in the picture.

Elsewhere in Chibougamau, Calmor Mines and Bev Jowsey are wasting no time in further opening up of their new gold showings in Queylus twp., just three miles west of the new St. Felicien-Chibougamau Highway at mileage 129.5. Six prospectors are hard at work. Over a ton of supplies were taken in by the partners and it is planned to use a Warsop drill to open up the showing.

Verbal arrangements were made with Mining Corp. of Canada for a deal after an M. C. geologist examined the ground. However, final views on a deal failed to agree. Calmor and Jowsey decided that they would proceed with their program, leaving any financing until a better idea was secured of what values were present.

So far, values have been chiefly of the "grab" variety ranging from $1.05 to $20.65 on the main showing over a zone width of 8 to 15 ft. Early stripping showed a length of 300 ft., open at both ends, and three or four other gold discoveries have been made by the same interests in the immediate vicinity.

Lake Surprise Gold Mine is waiting for solid ice in the lakes, will then fly in a drill to its gold discovery located southeast of the Calmor discoveries and midway between Calmor and the Barry Lake area where Roybar has been securing its results in Chibougamau. It is expected that actual drilling will get under way in about three weeks' time. A drill is available not too far away, officials report.

The Lake Surprise surface showing is 90 ft. long, lies across a peninsula, disappears under water at both ends. It is planned to drill both extensions through the ice and the shore area where values up to 0.50 oz. across 6.0 ft. and 0.56 oz. over 3.1 ft. were secured in channel sampling.

Noranda is continuing to do some work on the O'Leary copper property in McKenzie twp., but work is being kept on a restricted scale due to current weather conditions.

Chibougamau has a great many properties which showed considerable promise in other days. They become of greater interest now with the new highway into the area. The higher price for copper is also a favorable factor. Among the more outstanding but closed properties are Consolidated Chibougamau, Opemiska Copper, Norbeau and Obalski.

Guyana Two-Year Program To Boost Mill Rate 50%

A two-year modernization and mechanization program is being launched by Guyana Mines, Venezuelan gold producer in which Frobisher has approximately a 16% interest.

The program is designed to boost the mine's milling rate 50% daily and improve efficiency. Institution of the program will have an important bearing on future operating costs and earnings. One phase will be introduction of modernized and systematized Canadian mining techniques which, it is estimated, will permit reduction in payroll from 900 to 600 employees.

Since entering production September, 1947, bullion sales in Venezuela have been made at the International Monetary Fund approval price of around 135 to 138 Bolivars ($40 U.S.).

Recent estimates of ore reserves, it is stated, indicate sufficient ore to maintain production of 600 tons daily for at least two or three years. By introduction of new mining methods, the company expects to speed up delayed development and enlarge reserves. A heavier power line as well as improvements to the Diesel generating plant to provide some 4,000 hp. will be required by the modernization program.

Noranda Wins Out In Supreme Court

The view of Noranda Mines that a patent for a new method of ore concentration is invalid has been upheld by the Supreme Court of Canada.

The court allowed Noranda's appeal from an exchequer court judgment declaring Noranda had infringed on a patent held by Minerals Separation North American Corp. of New York.

If the appeal had been dismissed, the action would have cost Noranda about $400,000, counsel for the mining company indicated.

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Fenimore Finds Hematite Far North of Hollinger

A discovery of hematite iron ore has been made far to the north of Hollinger-Labrador deposits on the concession of Fenimore Iron Mines. Gordon W. Moore, consulting engineer, declares that the find "is apparently the most important iron ore discovery which has been made in the Labrador trough outside of the Hollinger-Hanna ore bodies.

Location is approximately 240 miles north of the Hollinger-Labrador M. & E. ore bodies, about 11 miles northwest of Forbes Lake and eight miles south of the Larch River which flows east into the Koksoak. The latter, a big river navigable for part of its length, flows into Ungava Bay.

Work to date has been of a very preliminary character but Mr. Moore states that the find is of sufficient importance to warrant diamond drilling. Prior to drilling, however, he recommends that the vicinity be mapped so that drill holes may be spotted to best advantage.

In a report on the discovery, Mr. Moore states:

"Soon after the start of preliminary exploration, an important discovery was made on the south extension of the Fenimore ground. During an aerial reconnaissance flight, reddish stains were seen along a gorge which is located about 11 miles northwest of Forbes Lake and eight miles south of the Larch River at latitude 57° 27′ north and longitude 70° 02′ west.

"This gorge was investigated on the ground and the reddish brown stains were found to be caused of heavily oxidized iron formation. Further investigation of the gorge showed outcrops of hematite to be present along its upper half mostly on the north side. The iron is exposed along the gorge for more than one third of a mile and grab sampling done at this time could naturally only give a rough idea of the grade of the iron. However one of the samples taken at the main bend in the gorge runs high grade iron. The other six grab samples taken at this time at various places along the exposure ran too high in silica to be classed as iron ore but they still had a high iron content and one sample ran 4.87% manganese."

The sample which was high grade iron assayed 67.35% iron, 3.38% silica with low values in phosphorus and manganese. The average of three grab samples taken along about 600 or 700 ft. of the north side of the gorge was 53.87% iron and 22.32% silica.

The Fenimore concession has been revamped. The eastern part has been dropped, 175 square miles of the west part has been retained and 105 square miles have been added to the south covering the contact of the granites with the iron-bearing rocks. Within a few miles of this contact all known ore bodies farther south are stated to occur.

Extensive research work has been done by the company on the question of mining and transport, should large tonnages of commercial grade ore be proven up. It is believed that climate is suitable for open pit mining. An 80-mile rail line would be needed to tie in with ocean navigation at Fort Chimo. Ore docks would also be required. A study of climatic conditions with respect to navigation is stated to lead to the belief that the possibilities of safe navigation in Hudson Strait and Ungava Bay have been underrated. "The possibility is advanced . . . that provided the most modern aids to navigation, (which are improving yearly), ships could navigate these areas safely for six or seven months out of the year," Mr. Moore declares. Fenimore holds a Quebec charter with an authorized capital of five million shares of which 2,040,000 are issued.

EUREKA CORP. has had a further study of its Nevada property completed by W. E. Romig who recommends that further exploration work be done prior to any attempt at dewatering. If efforts to develop ore bodies above, or at a lesser depth below the water table should be unsuccessful, it is recommended that thorough exploration of the limits and grade of the present ore bodies be undertaken. Should neither of these programs develop additional ore, test pumping should be done to determine the inflow rate and any possibilities of recirculation prior to an all-out effort to dewater the shaft, he advises. Indicated profits on present known ore do not justify the risk of trying drainage before seeking further ore, he states.

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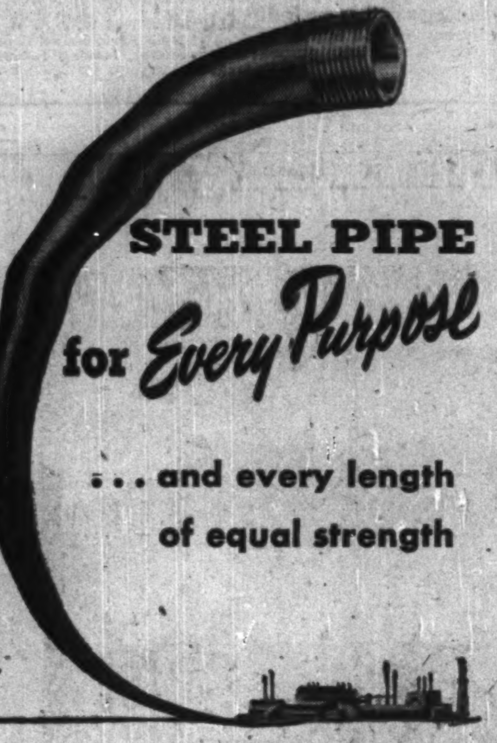

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LONDON CALLING—*By Adelphi*

Conservative Victory in New Zealand Gives U. K. Tories New Life—and Hope

LONDON—The victory of the Conservatives in New Zealand has been like a shot in the arm to the Conservatives in Britain. The news came while Parliament was sitting, and the Tories made a noisy demonstration of approval.

As a rule, the British politicians take a completely nonpartisan attitude toward politics in the Outer Empire. No matter how much they might desire the victory of this or that party in Canada, Australia or any other country, they always suppress their feelings. But this time there was no attempt by the Tories to hide their glee or by the Socialists to dissemble their disappointment. The war between freedom and socialism has become a global one, with the slogan "Damn the Neutrals!"

Now all eyes are on Australia. If Menzies wins there, the Tory stock in Britain will go zooming upward. The British are a race of gamblers who dislike being on a loser, and they are especially suspicious of a horse that comes from a stable out of form. Many times on the eve of a Derby the odds have lengthened on a favorite because of the rumor that some of his stable mates are coughing.

According to the Tories there is quite an epidemic of coughing in the Socialist stable and it is sweet music to their ears.

• • •

On the other hand Sir Stafford Cripps is full of bonhomie and optimism. Last Sunday he made two political speeches and then preached a sermon in a church. It is one of the quarrels between the two great political parties that the Socialists desecrate the Sabbath by holding political meetings on that day. The result is that the Socialists get all the headlines in the Monday morning newspapers and the Tories draw a complete blank.

The attitude of Sir Stafford seems to be that one should render unto Caesar what is Caesar's and to God what is God's—and both on the same day if possible. Thus he sees nothing wrong in preaching in church after he has held forth twice on the hustings.

Some of the ruder Socialists say that the Tory concern for Sabbath observance is not so much religious as desire to maintain the sanctity of the Tory week end. As a mere spectator and chronicler of events, I make no comment on this delicate subject.

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U. S. Dollar Pushed Into Stratosphere

Cripps is now said to have adopted the opinion that the pound has not exactly been devalued, or at any rate not so much devalued as the American dollar has been upvalued — to use an awful word. Which really means that all the depreciated currencies are much of a muchness but the dollar has soared to the stratosphere.

It is an interesting theory and a comforting one to put from the public platform. There is another school of thought which still hopefully believes that America will devalue the dollar by raising the price of gold and thus hasten the day when currencies will once more become interchangeable.

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There are persistent rumors in the City that America intends to relieve Britain of a large proportion of her war debt to India. This vast sum was incurred by Britain largely for equipping India against the menace of Japanese attack.

It might be argued that this was to Britain's strategic interest but, equally, it was to India's interest. For the past three years a proportion of Britain's exports have gone to India, Pakistan and Egypt, and have earned nothing in return, being credited against the war debt. Undoubtedly these unrequited exports have played an important part in Britain's economic disequilibrium.

Again I have used some of Cripps' jargon, but the wretched thing is catching.

If America takes over this debt to India the relief to Britain will be obvious. On the other hand the U. S. will become the industrial provider to India instead of Britain. It is a nasty dilemma that confronts His Majesty's Government.

Can Britain afford to keep burning up her furniture in order to keep the house warm?

• • •

Good Times Are Likely Until Election Held

One thing is fairly certain — there will be no crash before the election. The decision of the Trade Unions to ban increased wage demands, the lack of strikes, the increased export orders from the dollar area, the satisfactory level of essential imports, the continuance of full employment and the flow of trade within the Sterling Bloc—all these factors are in favor of the Government and, incidentally, render the task of the Conservatives correspondingly more difficult.

The election is almost certain to take place in February. For obvious reasons the Government does not want to bring in another budget. I can see no reason for the Socialists delaying the election beyond February.

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Parliament will rise for its Christmas Recess on Dec. 16. That will let loose the oratorical flood upon the constituencies. Most M.P.'s will set aside the temptation of foreign travel and will woo their constituents.

• • •

As usual London is getting ready for the Yuletide festival. There will be a full-dress circus at Olympia and at Harringay, and there will be special children's plays in the mornings at some of the theatres. Then we shall have the usual pantomimes of Mother Goose, Aladdin, Babes in the Wood and the semipantomime of Barrie's Peter Pan, with film star Margaret Lockwood as this year's Peter.

• • •

Just to show the world what we think of the economic crisis, there will be a four days' holiday at Christmas, although admittedly one of them will be a Sunday. They are a tough people these British. They still believe that the world rotates around Britain as its centre.

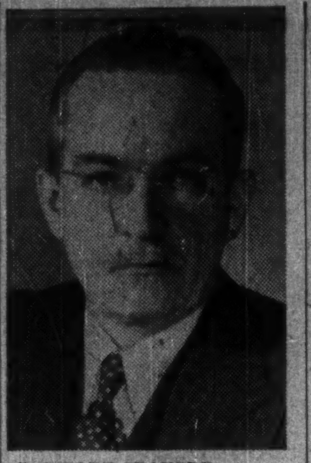
And by Saint Cripps! they may be right.

Earnings Hold For United Steel

United Steel Corp.'s 1949 sales and earnings are running close to last year's record, The Financial Post is informed. Business continues brisk with near-term outlook bright.

Net profit in 1948 amounted to $800,668, or $33.70 on the class A and $1.63 on the common.

LOUVICOURT GOLDFIELD CORP. has received payment for Nov. 22 underwriting of 100,000 shares at 15c a share under agreement with Federal Trading & Agency Co. Issued capital is 4,350,000 shares, leaving 650,000 in treasury.



R. EWART STAVERT

president, Consolidated Mining & Smelting Co., has been elected a director of International Nickel Co. of Canada.

T.S.E. Values Up Volume Declines For November

Share transactions on the Toronto Stock Exchange totaling 21,747,102 in November were some six million shares below October, but trading values showed a gain of $6½ millions at $61,769,274, the highest for the month since February, 1947. Share trading for the first 11 months of 1949 totaled 227,116,187 against 226,347,000 last year, while values were $404,974,848 against $400,074,403.

During November, a total of 753 issues were traded with 313 advancing, 344 declining. The Exchange's industrial index made a high of 202.58 on Nov. 19 and finished with a net gain of 3.46; the gold index high was 111.53 on Nov. 9, closed at 103.40 for a net loss of 5.33; base metals high was 114.53, closed with net loss of .04; and western oils reached 83.06, finishing month with net advance of .73.

The 10 most active industrials and the 10 most active mines are as follows:

Industrials	Mines
Imperial Oil	Omnitrans
Bell Phone	Joliet
Cons. Paper	Osisko
C.P.R.	Hosco
Abitibi pref.	Nicholson
Walker G. & W.	Cons. Lebel
Abitibi com.	Jaculet
McColl-Front.	Eldona
Int. Nickel	Upper Canada
North Star Oil	East Sullivan

AULT & WIBORG CO. OF CANADA has purchased for redemption and cancelled an additional 1,398 5½% cumulative redeemable sinking fund preferred shares since May 31 last, reducing number of preferred shares outstanding to 1,500.

BOOKS FOR BUSINESSMEN

FARMER VICTORIOUS, by William J. Hale; Longmans, Green & Co., Toronto; 241 pages; price $3.75.

Research consultant of Dow Chemical Co., Midland, Mich., Dr. Hale's book supplies plenty of material for notes and references to people interested in chemical farming. The book is nevertheless easily readable.

Dr. Hale deals with opposing theories by which men have guided their lives:

1. The monotheistic belief in the brotherhood of man and a Christian way of life;

2. The "accursed Babylonic system of finance" to which the author attributes the downfall of nations since early Greek and Roman times. The latter embraces a story of reckless expenditure of exhaustible raw materials bringing misery and poverty in its wake.

In chemurgy Dr. Hale sees a scientific way for America to avoid a similar fate. He believes industrial and financial interests will eventually turn to the farmer as a producer of an inexhaustible source of raw materials through the science of chemurgy. Farm products will be the raw materials of industry with food in abundance as a by-product. Farm and factory will interlock and private enterprise and national prosperity rise to undreamed of heights.

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TABLE TALK OF SAMUEL MARCHBANKS, by Robertson Davies; Clarke Irwin Co., Toronto; 248 pages; price $2.75.

The companion volume to The Diary of Samuel Marchbanks, from the column by Robertson Davies, offers light reading in short takes. Touching as they do on the variety of subjects which cross the desk and mind of a daily newspaper columnist, they offer, at times, an interesting insight into one man's views on Canada and Canadians.

• • •

O SHEPHERD, SPEAK!, by Upton Sinclair; Macmillan Co., Toronto; 629 pages; price $4.

The tenth (and last) of the Lanny Budd novels brings Sinclair's fictional history of our times up to date. They began with World's End, the story of 1913-1919 and the Paris Peace Conference, and close in this book on President Truman's speech on atomic energy.

Mr. Sinclair makes the appendix statement: ". . . no critic or historian has ever pointed out a serious error in these books." If this be correct, he has done a remarkable job in putting into direct quotes what have previously been private conversations of great men.

An index to the 10 books will give the Lanny Budd fan any historical point on which he wishes to check. It seems unfortunate, however, that the frequent references to family break the historical continuity of the story and the main theme, which is how Lanny should spend $1 million on preventing future wars.

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